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Foreign Relations of the United States 1950

Volume IV

Central and Eastern Europe; The Soviet Union

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PREFACE

The late S. Everett Gleason supervised the initial planning and compilation of this volume. His successors as editor of *Foreign Relations*, Fredrick Aandahl (from 1972) and William Z. Slany (from 1975), directed the process of review, declassification, and final editing.

Mr. Slany prepared all sections of the volume except for those on Austria and Germany, by Charles S. Sampson, and those on the Soviet Union, by Rogers P. Churchill. David H. Stauffer arranged for declassification of most of the documents.

The technical editing of the volume was done by the Publishing and Reproduction Division (Paul M. Washington, Chief), and Francis C. Prescott prepared the index.

The editors acknowledge with appreciation the assistance provided them by the historians of the Department of Defense, including those of the Joint Chiefs of Staff. They are grateful for the cooperation of the National Security Council, the Department of Defense, the Department of Commerce, and the Central Intelligence Agency, all of which facilitated declassification of papers for release in this volume. Thanks are also due to those foreign governments that kindly granted permission for publication of certain of their documents.

David F. Trask
The Historian
Bureau of Public Affairs

Principles for the Compilation and Editing of "Foreign Relations"

The principles which guide the compilation and editing of *Foreign Relations* are stated in Department of State Regulation 2 FAM 1350 of June 15, 1961, a revision of the order approved on March 26, 1925, by Mr. Frank B. Kellogg, then Secretary of State. The text of the regulation, as further amended, is printed below:

1350 Documentary Record of American Diplomacy

1351 *Scope of Documentation*

The publication *Foreign Relations of the United States* constitutes the official record of the foreign policy of the United States. These volumes include, subject to necessary security considerations, all documents needed to give a comprehensive record of the major foreign

337691

policy decisions within the range of the Department of State's responsibilities, together with appropriate materials concerning the facts which contributed to the formulation of policies. When further material is needed to supplement the documentation in the Department's files for a proper understanding of the relevant policies of the United States, such papers should be obtained from other Government agencies.

1352 *Editorial Preparation*

The basic documentary diplomatic record to be printed in *Foreign Relations of the United States* is edited by the Historical Office, Bureau of Public Affairs of the Department of State. The editing of the record is guided by the principles of historical objectivity. There may be no alteration of the text, no deletions without indicating where in the text the deletion is made, and no omission of facts which were of major importance in reaching a decision. Nothing may be omitted for the purpose of concealing or glossing over what might be regarded by some as a defect of policy. However, certain omissions of documents are permissible for the following reasons:

a. To avoid publication of matters which would tend to impede current diplomatic negotiations or other business.
b. To condense the record and avoid repetition of needless details.
c. To preserve the confidence reposed in the Department by individuals and by foreign governments.
d. To avoid giving needless offense to other nationalities or individuals.
e. To eliminate personal opinions presented in despatches and not acted upon by the Department. To this consideration there is one qualification—in connection with major decisions it is desirable, where possible, to show the alternatives presented to the Department before the decision was made.

1353 *Clearance*

To obtain appropriate clearances of material to be published in *Foreign Relations of the United States*, the Historical Office:

a. Refers to the appropriate policy offices of the Department and of other agencies of the Government such papers as appear to require policy clearance.
b. Refers to the appropriate foreign governments requests for permission to print as part of the diplomatic correspondence of the United States those previously unpublished documents which were originated by the foreign governments.

CONTENTS

Page

PREFACE III

LIST OF ABBREVIATIONS AND SYMBOLS VII

MULTILATERAL RELATIONS:

General policies and problems in United States relations with Eastern Europe and the Soviet Union; efforts of the United States to achieve fulfillment of the human rights provisions of the Treaties of Peace with Bulgaria, Hungary, and Romania; civil aviation policy toward Eastern Europe and the Soviet Union 1

United States policy on trade with Eastern Europe and the Soviet Union; efforts to achieve an international security export policy . . 65

Attitude and response of the United States to the Soviet "Peace Offensive"; efforts to strengthen the United States international information program, particularly the Voice of America 261

Attitude of the United States toward Eastern European exile groups and leaders 337

ALBANIA:

Attitude of the United States toward the Albanian regime 363

AUSTRIA:

Problems of occupation: United States concern over occupation costs; the change to civilian High Commissioners; the course of future United States policy with respect to Austria; efforts to transfer greater authority to the Federal Government; United States policy toward the civil disturbances at the end of September 367

United States participation in the negotiations for an Austrian treaty . . 430

The interest of the United States in the formation of a future Austrian army and the arming of the Austrian *gendarmerie* 473

BULGARIA:

Events leading to the severance of diplomatic relations between the United States and Bulgaria, February 21, 1950 503

CZECHOSLOVAKIA:

Further worsening of relations with Czechoslovakia; harassment of American officials, employees, and citizens in Czechoslovakia 526

FINLAND:

Interest of the United States in the maintenance of Finland's independence 574

GERMANY:

Political relations in general: problems related to the division of Germany; the question of termination of a state of war; the question of all-German elections; participation of the Federal Republic of Germany in the Council of Europe and other efforts for European integration 590

GERMANY—Continued Page

The question of participation by the Federal Republic of Germany in Western security arrangements; proposals for a Federal police force; questions of rearmament and internal and external security 678

Participation of the United States in the work of the Intergovernmental Study Group on Germany and related activities: review of the Occupation Statute, the Agreement on Prohibited and Limited Industries, and various legal and technical problems relating to Germany; development of the idea of "contractual arrangements" 737

The status of Berlin: access, security, financial support, economic restrictions, elections, and related questions 818

The Soviet note of November 3 proposing the calling of the Council of Foreign Ministers to discuss the demilitarization of Germany . . . 902

Interest of the United States in the status of the Saar 927

Attitude of the United States toward developments in the Soviet Zone of Occupation and the "German Democratic Republic" 942

HUNGARY:

The continued deterioration in relations with Hungary; efforts to achieve the release of Robert A. Vogeler from Hungarian imprisonment 980

POLAND:

Interest of the United States in the welfare and future of the Polish people; efforts to resolve problems in relations with the Polish Government 1027

ROMANIA:

Restriction and harassment of the Legation in Romania 1052

UNION OF SOVIET SOCIALIST REPUBLICS:

Reports on developments of significance within the Soviet Union of concern to relations with the United States and other countries 1074

Continuation of efforts to negotiate a lend-lease settlement agreement with the Soviet Union 1283

YUGOSLAVIA:

Attitude of the United States toward the conflict between Yugoslavia and the Soviet Union and its satellites; the extension of economic assistance to Yugoslavia; the consideration of the question of military assistance for Yugoslavia 1338

INDEX 1519

LIST OF ABBREVIATIONS AND SYMBOLS

EDITOR'S NOTE.—This list does not include standard abbreviations in common usage; unusual abbreviations of rare occurrence which are clarified at appropriate points; and those abbreviations and contractions which, although uncommon, are understandable from the context.

AC, Allied Council for Austria
ACR, Advisory Committee on Requirements
ADN, Allgemeiner Deutscher Nachrichtendienst, Soviet Licensed News Agency
AFL, American Federation of Labor
AGSec, Allied General Secretariat, Allied High Commission for Germany
AHC, Allied High Commission for Germany
ALCO, document designation for papers of the Allied Council for Austria
AmConGen, American Consul(ate) General
AmEmb, American Embassy
AmLeg, American Legation
AP, Associated Press
ARA, Bureau of Inter-American Affairs, Department of State
Atts, Attachés
Audel, series indicator for telegrams to the United States Delegation for Austria at the Council of Foreign Ministers
AusDeps, Deputies for Austria at the Council of Foreign Ministers
BBC, British Broadcasting Corporation
BDL, Bank Deutscher Länder, German Federal financial institution
CAFCO, Civil Affairs Committee
CDU, Christlich-Demokratische Union (Christian Democratic Union)
CEMA, Council for Mutual Economic Assistance
CFM, Council of Foreign Ministers
CG, Commanding General
CG, Paris Consultative Group of nations working to control export of strategic goods to Communist countries
CIA, Central Intelligence Agency
CIC, Commander in Chief
CIO, Congress of Industrial Organizations
circinstr, circular instruction
circam, circular airgram
circtel (cirtel), circular telegram
cits, citizens
CMEA, Council for Mutual Economic Assistance
CN, commerce and navigation (treaty)
CNO, Chief of Naval Operations
CoCom, Coordinating Committee of the Paris Consultative Group of nations working to control export of strategic goods to Communist countries
Cominform, Communist Information Bureau
Comintern, Third (Communist) International
Cong, Congress; Congressional
ConGen, Consul(ate) General
CP, Communist Party
CP, Contracting Party
CPR, Chinese People's Republic
CPSU(b), Communist Party of the Soviet Union (bolsheviks)
CPY, Communist Party of Yugoslavia
CRALOG, Council of Relief Agencies Licensed for Operation in Germany
CRC, Central Rhine Commission
DBD, Demokratische Bauernpartei Deutschlands (Democratic Peasant Party of Germany)
DDR, Deutsche Demokratische Republik (German Democratic Republic)
Delau, series indicator for telegrams from the United States Delegation for Austria at the Council of Foreign Ministers

Depcirgam, Department of State circular airgram
Depcirtel, Department of State circular telegram
Depinstr, Department of State instruction
Deptcirgam, Department of State circular airgram
Deptel, Department of State telegram
DM, Deutsche Mark
DP, displaced person
DRE, Division of Research for Europe, Department of State
EC, Executive Committee of the Allied Council for Austria
ECA, Economic Cooperation Administration
Ecato, series indicator for telegrams from the Economic Cooperation Administration in Washington to its missions abroad
ECC, European Coordinating Committee
ECE, Economic Commission for Europe
ECOSOC, Economic and Social Council of the United Nations
ED, Investment and Economic Development Staff, Department of State
EE, Office of Eastern European Affairs, Department of State; Eastern Europe; Eastern European
Emb, Embassy
Embdes, Embassy despatch
Embtel, Embassy telegram
EPU, European Payments Union
ERP, European Recovery Program
EuCom, European Command, United States Army
EUR, Bureau of European Affairs, Department of State
EW (E–W), East–West
Excon, designation for telegrams dealing with the export control program; export control
ExIm Bank (Eximbank), Export-Import Bank of Washington
FAO, Food and Agriculture Organization
FBI, Federal Bureau of Investigation, Department of Justice
FDGB, Freier Deutscher Gewerkschaftsbund (Free German Trade Union League)
FDJ, Freie Demokratische Jugend (Free Democratic Youth)
FDP, Frei Demokratische Partei (Free Democratic Party)
FE, Bureau of Far Eastern Affairs, Department of State; Far East; Far Eastern
FEA, Foreign Economic Administration
FedRep, Federal Republic of Germany
FM, Foreign Minister
FMACC, Foreign Military Assistance Coordinating Committee
FonMin, Foreign Minister
FonOff, Foreign Office
ForMin, Foreign Minister
F.R., *Federal Register*
FS, Foreign Service
FSA, Foreign Service Alien
FSO's, Foreign Service Officers
FSS, Foreign Service Staff
FYI, for your information
GA, General Assembly of the United Nations
GARIOA, Government and Relief in Occupied Areas
GATT, General Agreement on Tariffs and Trade
GDR, German Democratic Republic
GER, Bureau of German Affairs, Department of State
GHQ, General Headquarters
GNA, Greek National Army
GNP, gross national product
HICOG, United States High Commissioner for Germany
HICOM, High Commission(er) for Germany
HMG, His Majesty's Government
HR, human rights
IAC, Intelligence Advisory Committee
IAR, International Authority for the Ruhr
IARA, Inter-Allied Reparation Agency
IBD, Division of International Broadcasting, Department of State
IBRD, International Bank for Reconstruction and Development
ICFTU, International Confederation of Free Trade Unions
ICJ, International Court of Justice
IGG, series indicator for papers prepared by the Intergovernmental Study Group on Germany

ILO, International Labor Organization
IMF, International Monetary Fund
infotel, information telegram
INP, Division of International Press and Publications, Department of State
instrs, instructions
IRO, International Refugee Organization
ISG(G), Intergovernmental Study Group on Germany
ITF, International Transport Workers' Federation
ITO, International Trade Organization
ITP, Office of International Trade Policy, Department of State
IT&T, International Telephone and Telegraph Corporation
ITU, International Telecommunication Union
JCS, Joint Chiefs of Staff
JPRS, Joint Press Reading Service
KPD, Kommunistische Partei Deutschlands (Communist Party of Germany)
L/E, Assistant Legal Adviser for Economic Affairs, Department of State
L/P, Assistant Legal Adviser for Public Affairs, Department of State
LDP, Liberal-Demokratische Partei (Liberal Democratic Party)
Leg, Legation
Legtel, Legation telegram
LL, Lend-Lease and Surplus Property Staff, Department of State
MA, Military Attaché
MAAG, Military Assistance Advisory Group
MAP, Military Assistance Program
MAV, Military Attaché, Vienna
MDAA, Mutual Defense Assistance Act
MDAP, Mutual Defense Assistance Program
MFA, Ministry of Foreign Affairs
MFN, most favored nation (treaty)
MG, military government
MGB, Ministerstvo Gosudarstvennoi Bezopasnosti (Ministry for State Security of the Soviet Union)
MilAtt, Military Attaché
MinFonAff, Minister (Ministry) of Foreign Affairs
MP's, Ministers-President
MPO, Military Permit Office
MPSB, Military Production and Supply Board, North Atlantic Treaty Organization
MSB, Military Security Board
mytel, my telegram
NAC, National Advisory Council on International Monetary and Financial Problems
NAP, North Atlantic Pact
NAT(O), North Atlantic Treaty (Organization)
NCFE, National Committee for Free Europe
NDP, National-Demokratische Partei (National Democratic Party)
NE, Near East
NEA, Bureau of Near Eastern, South Asian, and African Affairs, Department of State; Near East and Asia
niact, night action, communications indicator requiring attention by the recipient at any hour of the day or night
NME, National Military Establishment
Noce, series indicator for telegrams from the United States Delegation at the Economic Commission for Europe
NRW, Nordrhein-Westfalen
NSC, National Security Council
NSDAP, Nationalsozialistische Deutsche Arbeiterpartei (National Socialist German Workers Party)
NSRB, National Security Resources Board
OC, Operating Committee (the executive committee of the Advisory Committee on Requirements)
OEEC, Organization for European Economic Cooperation
OFD, Office of Financial and Development Policy, Department of State
OIC, Office of International Commerce, Department of Commerce
OII, Office of International Information, Department of State
OIT, Office of International Trade, Department of Commerce

OM, operations memorandum (Department of State)
Orgburo, Organizational Bureau of the Central Committee of the Communist Party of the Soviet Union
OSR, Office of the United States Special Representative in Europe under the Foreign Assistance Act of 1948
ourtel, our telegram
OVIR, Bureau of Visas and Registration of Foreigners in the Ministry for Internal Affairs of the Soviet Union
P, Office of the Assistant Secretary of State for Public Affairs
P, series indicator for telegrams from the Commander in Chief of the United States Forces in Austria
PanAm, Pan American World Airways System
PC's, participating countries
PCG's, participating governments
PEPCO, Political and Economic Projects Committee, Office of the United States High Commissioner for Germany
PF, frigate
PL, Division of Public Liaison, Department of State
PL, Public Law
PLI, prohibited and limited industries
PM, Prime Minister
PNG, *persona non grata*
POL, petroleum, oil, lubricants
PolAd, Political Adviser
PolCom, Political Committee
Politburo, Political Bureau of the Central Committee of the Communist Party of the Soviet Union
POW, prisoner of war
PPS, Policy Planning Staff, Department of State
PriMin, Prime Minister
PW, prisoner of war
R, Special Assistant for Intelligence, Department of State
RAF, Royal Air Force (British)
RAM, series indicator for papers prepared for the Rome Ambassadors meeting
RCA, Radio Corporation of America
RCT, Regimental Combat Team
reDeptel, regarding Department of State telegram
reEmbtel, regarding Embassy telegram
reftel, reference telegram
reourtel, regarding our telegram
Repsec, series indicator for telegrams to the Secretary of State from the United States Special Representative in Europe under the Foreign Assistance Act of 1948
Repto, series indicator for messages to the Economic Cooperation Administration headquarters in Washington from the United States Special Representative in Europe under the Foreign Assistance Act of 1948
reurtel, regarding your telegram
RIAS, Rundfunk im Amerikanischen Sektor (United States Radio in the American Sector of Berlin)
RPR, Romanian People's Republic
S/P, Policy Planning Staff, Department of State
S/S–PR, Executive Secretariat, Protocol Staff, Department of State
SAG, Sowjetische Aktiengesellschaft (Soviet Joint Stock Company)
SC, Security Council of the United Nations
SCC, Soviet Control Commission (in Germany)
SEA, Southeast Asia
Secto, series indicator for telegrams from the Secretary of State when he is absent from the Department; also, series indicator for telegrams from the United States Delegation at the May and September Foreign Ministers meetings
Secy Gen, Secretary-General
SED, Sozialistische Einheitspartei Deutschlands (Socialist Unity Party), the Communist Party in East Germany
Sigto, series indicator for telegrams from the United States Delegation at the Intergovernmental Study Group on Germany
SMA, Soviet Military Administration in Germany
SovAG, Sowjetische Aktiengesellschaft (Soviet Joint Stock Company)
Sovinfobul, *Soviet Information Bulletin,* an official publication of the Embassy of the Soviet Union in Washington

SPD, Sozialdemokratische Partei Deutschlands (German Social Democratic Party)
SYG, Secretary-General
TA, trade agreement
Telac, series indicator for telegrams to Secretary of State Acheson while away from Washington
telecon, telecommunication conference
TIAS, Treaties and Other International Acts Series
TMMC, Tripartite Merchant Marine Commission
Toeca, series indicator for telegrams to the Economic Cooperation Administration in Washington from its missions abroad
Tomap, designation for telegrams concerned with the Mutual Defense Assistance Program
Torep, series indicator for messages from the Economic Cooperation Administration headquarters in Washington to the United States Special Representative in Europe under the Foreign Assistance Act of 1948
Tosec, series indicator for telegrams to the Secretary of State when he is absent from the Department; also, series indicator for telegrams to the United States Delegation to the May and September Foreign Ministers meetings
Tosig, series indicator for telegrams to the United States Delegation at the Intergovernmental Study Group on Germany
TPs, troops
TR, *Tägliche Rundschau*, East Berlin daily paper published by the Russians
TS, Department of State Treaty Series
UGO, Unabhängige Gewerkschaftsorganisation (Independent Trade Union Organization); or Unabhängige Gewerkschaftsopposition (Independent Trade Union Opposition)
UNA, Bureau of United Nations Affairs, Department of State
UNCOK, United Nations Commission on Korea
UNESCO, United Nations Educational, Scientific and Cultural Organization
UNGA, United Nations General Assembly
UNO, United Nations Organization
UNP, Office of United Nations Political and Security Affairs, Department of State
UNTS, United Nations Treaty Series
urdes, your despatch
urinfo, your information
urreftel, your reference telegram
urtel, your telegram
U.S.A.F., United States Air Force
USCOA, United States Command, Austria
USCOB, United States Command(er), Berlin
USDel, United States Delegation
USFA, United States Forces in Austria
USG, United States Government
USIA, United States Information Agency
USIA, Upravleniye Sovetskogo Imushchestva v Avstrii (Administration for Soviet Property in Austria)
USIE, United States Information and Educational Exchange Program
USIS, United States Information Service
USN, United States Navy
USRep, United States Representative
USResDel, United States Resident Delegate
UST, *United States Treaties and Other International Agreements*
USUN, United States Mission at the United Nations
VIAC, Vienna Inter-Allied Command
VOA, Voice of America
VOANY, Voice of America at New York
WE, Office of Western European Affairs, Department of State; Western Europe; Western European
WFTU, World Federation of Trade Unions
WHO, World Health Organization
YAF, Yugoslav Air Force
yourad, your radiogram

GENERAL POLICIES AND PROBLEMS IN UNITED STATES RELATIONS WITH EASTERN EUROPE AND THE SOVIET UNION; EFFORTS OF THE UNITED STATES TO ACHIEVE FULFILLMENT OF THE HUMAN RIGHTS PROVISIONS OF THE TREATIES OF PEACE WITH BULGARIA, HUNGARY, AND ROMANIA; CIVIL AVIATION POLICY TOWARD EASTERN EUROPE AND THE SOVIET UNION [1]

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Report by the National Security Council to the President [2]

SECRET WASHINGTON, January 5, 1950.

NSC 15/3

U.S. Civil Aviation Policy Toward the USSR and its Satellites

THE PROBLEM

1. To determine the extent to which our present civil aviation policy toward the USSR and its satellites (NSC 15/1) should be modified as the result of a review of our objectives in this field, and particularly in the light of a revised appraisal by our military authorities of the military security considerations involved.

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[1] Previous documentation on these topics is presented in *Foreign Relations*, 1949, vol. v, pp. 1 ff.

[2] The earliest draft of this report was prepared in early September 1949 following a meeting of Department of State officers in the office of Deputy Assistant Secretary of State for European Affairs Llewellyn E. Thompson on August 11 at which time a consensus was reached for the basis upon which NSC 15/1 (*ibid.*, 1948, vol. IV, p. 451) might be appropriately amended. This earliest draft was amended and revised in the light of comments and criticisms made by various responsible officers of the Department. Documentation on the background to this report is included in a dossier in file 711.4027/12–1949.

The September report, as revised and approved in the Department of State, was transmitted to the National Security Council under cover of Under Secretary of State Webb's letter of December 27 to Executive Secretary Souers (*Foreign Relations*, 1949, vol. v, p. 220) and was subsequently circulated to the National Security Council as document NSC 15/2, December 28, 1949. The few differences between NSC 15/2 and the text printed here are indicated in footnotes 6 and 7, below. At its 51st meeting on January 5, 1950, the National Security Council, the Under Secretary of the Treasury, the Acting Secretary of Commerce, the Economic Cooperation Administrator, and the Chairman of the Civil Aeronautics Board, considered NSC 15/2 and adopted the report subject to the changes indicated in footnotes 6 and 7, below. During the Council meeting, the Chairman of the Civil Aeronautics Board reported that the Air Coordinating Committee had agreed to modify its policy in accord with the provisions of this report. On January 6, 1950, the President approved the recommendations contained herein and directed that they be implemented by all appropriate executive agencies and departments of the U.S. Government under the coordination of the Secretary of State.

BACKGROUND

2. Our present severely restrictive policy, established July 12, 1948, calls for a multilateral effort, through the cooperation of . . . other countries, to

a. Restrict the civil air operations of the USSR and its satellites to their territory until the USSR grants, on a reciprocal basis, transit and commercial landing rights in USSR territory to civil air carriers of the U.S. and other states outside the area of Soviet control which desire such rights.

b. Deny the sale and export of aircraft and associated aviation equipment (engines, spare parts, electronic equipment, etc.) and the use of facilities for overhaul, refitting and maintenance to the civil air carriers of the USSR and its satellites.

3. We have been largely successful in obtaining agreement of other countries to deny the sale and export of aircraft and associated aviation equipment to the USSR and its satellites and in blocking USSR and satellite civil air operations to the Near Eastern, South Asian and African area. We have failed, however, to obtain the wholehearted cooperation of . . . other Wesern European countries in fully implementing the air operations aspect of this policy in Western Europe with the result that the Czech and Polish air carriers continue to operate without serious restriction to and within Western Europe. . . . [O]pposition to this phase of our policy was based on the fact that (*a*) they did not share the U.S. assessment of the relative importance of the political and security factors involved; (*b*) they were unwilling to give up their services to Praha and to Warsaw, to the continuance of which they attached considerable political importance; (*c*) they believed that lines of communication between Western Europe and the satellite countries should not only be maintained, but, wherever possible, improved; (*d*) they did not think any great improvement in general security would result from the prohibition of Soviet-controlled flights outside the iron curtain and believed that from a purely military point of view the advantages to be gained would be of secondary importance; (*e*) they considered the policy extremely difficult to coordinate with the other countries whose cooperation was required.

4. . . . [T]he Department of State on June 1, 1949 [3] requested the Department of Defense to secure the views of the Joint Chiefs of Staff concerning the extent to which military security factors justify further intensified efforts to implement the air operations aspect of our present policy in Western Europe.

5. The Department of Defense, in its reply dated July 20, 1949,[4] stated that:

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[3] *Foreign Relations*, 1949, vol. v, p. 204.
[4] *Ibid.*, p. 206.

a. The Joint Chiefs of Staff believe that:

(1) Our multilateral effort to prevent the sale of aircraft and aviation equipment to the USSR and its satellites is wholly in consonance with our announced policy objectives and is a measure to which the Joint Chiefs of Staff attach great importance because of the military security factors which are involved.

(2) The implementing measures set forth in NSC 15/1 can be effective only if supported by all of the nations concerned.

(3) There is considerable merit in the . . . view that the "containment" policy cannot be justified solely on military grounds.

(4) There are military advantages to be gained by such civil air penetration as may be arranged through bilateral agreements on a reciprocal basis, that is, the granting of landing rights in non-curtain states, including the United States, to satellite air carriers in exchange for similar landing rights in satellite territory.

b. Recommended that, in view of these considerations, a review of NSC 15/1 be undertaken, such review to include re-examination of both political and security factors and give consideration to the probability of the United States and certain nations in Western Europe achieving, through bilateral agreements, reciprocal aviation rights in Soviet satellite countries. (Copies of this exchange of correspondence are attached.[5])

FACTS BEARING ON THE SITUATION

6. It is reaffirmed that:

a. There is no likelihood in the foreseeable future that the USSR will permit regularly scheduled commercial air operations over Soviet territory by countries outside the Soviet orbit.

b. USSR motivation in operating their transport planes, both scheduled and non-scheduled, in foreign countries is military and political rather than commercial.

c. While denying foreign air operations over the territory of the USSR and to a large extent also over the territories of their satellites, the Russians continue to seek by every means possible to secure the right, for themselves and more often for their satellites, to operate in the airspace of other countries.

d. In addition to the military value of such operations the operation of air transport services to non-curtain states by the satellites is advantageous to the USSR in that it provides a speedier, and thus considerably more effective, liaison with USSR agents and Communist parties abroad.

7. The USSR, through its satellite air carriers, CSA (Czech) and LOT (Polish), continues to operate to most of the countries of Western Europe and, although presently denied egress to the Near East area, has in no wise diminished its efforts to achieve this objective.

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[5] The communications under reference are not printed here.

8. The problem of our dealings with the USSR and its satellites in the field of civil aviation is multifaceted. Civil aviation, economic, political and military security considerations are involved.

a. Our end objective vis-à-vis the USSR and its satellites from a civil aviation policy point of view remains the same as toward other countries and reflects our global policy toward international civil aviation; i.e., favoring its orderly development on the basis of reciprocal rights and the broadest possible freedom consistent with our national security and sound economic principles. However, since this objective, as indicated in paragraph 6–*a* above, we consider to be unattainable, in so far as access to USSR territory is concerned, we are confronted not with the question of determining how best to achieve the ultimate goal of our civil aviation policy vis-à-vis the USSR, but with the problem of outlining a course of action designed to cope effectively with the adverse effect upon our national interest which will continue to result from satellite air operations outside the Soviet orbit unless such operations are either blocked or advantageously offset. If a balance of advantage can be gained through civil air penetration of satellite territory, it would be desirable to fulfill our civil aviation objectives, hitherto unrealized, vis-à-vis the satellite states. These objectives are to implement, through the securing of the requisite air rights, the U.S. certificated international air routes to Poland (American Overseas Airlines) and to Hungary, Rumania, Bulgaria, and beyond (Pan American Airways).

b. We consider East-West trade important in bringing about European recovery and we desire to foster and encourage economic relations with the Soviet bloc to the extent that they are favorable to the non-curtain states and not inconsistent with necessary export controls. While these economic considerations were present when NSC 15/1 was formulated, they were not considered to be of sufficient importance to stand in the way of the adoption of the "containment" policy which the more heavily weighted military security considerations then dictated. While our present trade and commercial policy objectives are, like our civil aviation considerations, of importance, they are still outweighed by the military security factors involved.

c. We would prefer, politically, to follow a course of action on a "common front" basis which the Western European countries could follow wholeheartedly and without reservation. Partial implementation of NSC 15/1 has been achieved through persistent representations. Full implementation might be achieved through greater pressure at higher diplomatic, and possibly military, levels. We would have no hesitancy in exerting such additional pressure if military security considerations indicated the need for such action. On the other hand, the establishment of a policy to which the . . . other Western European states could give full support and which at the same time would be in accord with U.S. military views, would be desirable.

Our efforts to implement NSC 15/1 have resulted in the further restriction of our courier flights to the Balkan satellites and the imminent threat of the blocking of our present weekly courier service to Warsaw. Although the general usefulness and political/military intelligence benefits of such services were considered less important than the fulfillment of the objectives of NSC 15/1, and their curtailment or loss was to be expected, such operations are of considerable value

to the Department of State in the servicing and the maintenance of close liaison with our missions behind the iron curtain. The possibilities of reestablishing our courier services to certain of the satellite states woud probably be enhanced if we chose to adopt a more lenient attitude with respect to satellite air operations over Western Germany.

d. The primary consideration which still impels us to pursue a carefully calculated course vis-à-vis the USSR and its satellites aviation-wise is that of military security. The recommendations in NSC 15/1 were predicated upon the belief that the tactic best suited to combat effectively the threat to our military security was "containment" of USSR and satellite air operations within their own territory. The current views of our military authorities, which represent a substantial modification from those underlying NSC 15/1, are that there are military advantages to be gained by such civil air penetration (of satellite territory) as may be arranged through bilateral agreements on a reciprocal basis. More specifically, these views envisage the U.S. and certain nations in Western Europe achieving, through such bilateral agreements, reciprocal aviation rights in satellite countries.

9. The administrative machinery for the occupation of Germany has undergone substantial change since the establishment of NSC 15/1. However, the use which may be made of the strategic location of Western Germany, which lies athwart most of the main routes between Eastern and Western Europe, is a continued factor in the situation. . . .

CONCLUSIONS

10. Operations of USSR and satellite civil air carriers outside the Soviet orbit, unless counterbalanced by reciprocal civil air penetration, on a short-term basis, of USSR or satellite territory to the extent that a balance of advantages, particularly from a military security point of view, would accrue to the U.S. and other non-curtain states, are in conflict with our national interest.

11. The views of the Joint Chiefs of Staff concerning the military security considerations in the problem, which still constitute the most heavily weighted factor, are in consonance with our political, economic and civil aviation policy objectives.

RECOMMENDATIONS

12. Efforts to effect a reciprocal and short-term exchange of civil air services with a satellite state should be made by the United States or other non-curtain countries when it has been clearly determined, on an individual case basis, that a fully realizable balance of advantage would result from such services to the United States or the non-curtain country concerned after careful evaluation and weighing of the civil aviation, economic, political, and military security considerations involved, particularly the latter.

13. If such efforts are not undertaken because it cannot be determined that a balance of advantages would result from the establishment of reciprocal air services with that satellite state, or are

500-421—80——2

undertaken but satisfactory results are not obtained (i.e., agreement concerning the terms of such reciprocal air services is not reached or following conclusion of an agreement a balance of advantages does not prove realizable), the air carrier of that satellite state should be denied access to the territory of the non-curtain state concerned.

14. Such a balance of advantages does not presently obtain in the Near Eastern, South Asian and African area; continued containment of satellite civil air operations in this area is therefore required in our national interest.[6]

15. All but the minimum facilities necessary for the operation of such satellite air services outside satellite territory as may be agreed to, and for securing adequate facilities for non-satellite air carriers in satellite territory, should be denied.

16. The multilateral effort to prevent the sale and export, directly or indirectly, of aircraft and associated aviation equipment to Soviet and satellite agencies, and to prevent the use by Soviet and satellite aircraft of facilities for overhaul, refitting or major maintenance, should be continued.

17. The Secretary of State should, in coordination with appropriate executive departments and agencies of the U.S. Government, make the determination described in paragraphs 12 and 13 and implement this global policy, and should be responsible for establishing the identity, from the standpoint of our political relations, of those states which should be deemed satellites of the USSR.[7] Such implementation should include the exertion of all appropriate efforts to persuade other countries outside the Soviet orbit to adopt this policy and to cooperate closely with the United States in carrying it out.

18. This policy document should supersede NSC 15/1.

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[6] This paragraph was not included in NSC 15/2 (see footnote 2, above). At its meeting on January 5, 1950, the National Security Council agreed to add this paragraph with the appropriate renumbering of subsequent paragraphs.

[7] This revised sentence was adopted by the National Security Council at its meeting on January 5, 1950. In NSC 15/2 (see footnote 2, above) this sentence reads as follows:

"The Secretary of State should implement this global policy in coordination with appropriate executive departments and agencies of the U.S. Government and should be responsible for establishing the identity, from the standpoint of our political relations, of those states which should be deemed satellites of the USSR."

S/P–NSC Files : Lot 61 D 167 : NSC 58 Series [1]

Memorandum by the Under Secretary of State (Webb) to the Executive Secretary of the National Security Council (Lay) [2]

TOP SECRET WASHINGTON, February 2, 1950.

Subject: First Progress Report on the Implementation of NSC 58/2, "United States Policy Toward the Soviet Satellite States in Eastern Europe" [3]

The National Security Council policy document on "United States Policy Toward the Soviet Satellite States in Eastern Europe" (NSC 58/2) sets out both long term and short term objectives of US policy in this area. The long term goal is the development of independent non-totalitarian governments in Eastern Europe willing to accommodate themselves to participate in the free world community. There are, however, great obstacles to our making any immediate or spectacular progress toward that goal in view of the presence in those countries of Soviet armed forces as instruments of intimidation and the police power in the hands of the present satellite governments. The NSC paper recommends that the US do what it practically can do to keep alive the anti-Communist sentiment and hope of the non-Communist majorities. This we have continued to do, both before and since NSC 58/2 was approved, by such means as radio broadcasts, official statements in UN bodies and elsewhere, and through exploitation of the human rights issue by diplomatic and other means.

Since action in pursuit of the long term objective is not likely to achieve early results, NSC 58/2 is more particularly directed toward the short term objective of disrupting the Soviet-satellite relationship and in this way weakening the Soviet grip in these countries. This is a difficult problem and one on which tangible results of our measures are not always apparent. It is not easy to judge what success we are having. However, the wave of purges involving Communists as well as non-Communists in these countries indicates that the Soviet leaders may well be worried over the prospects of large-scale "deviationism" and that their local Communist puppets are not at all secure in their position. In the atmosphere of suspicion and fear it may be open to us to widen some of the cracks which are appearing in the structure of Soviet control by psychological, economic and other means. In the brief period since the adoption of NSC 58/2 various studies have been initiated in order to determine which means are best suited for such use.

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[1] Lot 61 D 167 is a serial file of memoranda relating to National Security Council questions for the years 1950–1961, as maintained by the Policy Planning Staff of the Department of State.

[2] This memorandum was circulated to the National Security Council as a Council Progress Report dated February 3.

[3] For the paper under reference here, dated December 8, 1949, see *Foreign Relations*, 1949, vol. v, p. 42.

As it is stated in NSC 58/2 the methods and tempo must differ among the several countries of the Soviet orbit. Officers of the Department of State with particular responsibility for the affairs of individual countries in this area are presently making detailed studies and recommendations for possible measures directed toward those countries. Meanwhile, the Department has proceeded on a more general basis in implementing for the whole area the recommendations of the document.

The Department of State is preparing a paper based on the policies set forth in NSC 58/2 and addressing itself to the problem of formulating general US information policy objectives with respect to the Soviet satellite states in Eastern Europe. This document is being drawn up as a confidential statement for the ultimate use of the Voice of America and other media of US information policy both in the US and abroad. The contemplated guidance will include analysis of the problem along the lines of NSC 58/2 from the point of view of information policy, with particular attention to the relative strengths and weaknesses of both the US and the USSR in relation to public sentiment in the area. The statement will include recommendations for propaganda operations, with particular emphasis on the exploitation of the hostility to Soviet domination and of rifts which have appeared or may appear between Moscow and the local Communists.

In accordance with the directive contained in paragraph 55 of NSC 58/2 there has been initiated at Department of State as a matter of priority an over-all study of the vulnerabilities of the economies of the Satellite States and of economic factors which might be employed to weaken the Soviet-Satellite relationship. Invitations to cooperate in this latter study are going forward to the Departments of Treasury and Commerce, the NSRB and the ECA.

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James E. Webb

Editorial Note

In a statement issued to the press on February 24, Secretary of State Dean Acheson reviewed recent actions taken by the Governments of Bulgaria, Hungary, and Romania contributing to a marked deterioration of relations with the United States. Secretary Acheson indicated that the obvious purpose of those actions was to cut off the people of Eastern Europe from the free world, to deprive them of all hope of any other fate than that reserved for them by their rulers, and to liquidate all signs and symbols of Western influence to the accompaniment of a flood of propaganda. He observed that the measures which the United States was compelled to take in order to meet the

situation in Eastern Europe "created by the unprincipled actions of those governments are in no sense directed against the people." For the text of the statement, see Department of State *Bulletin*, March 6, 1950, pages 377–378. For documentation on the actions by Bulgaria, Hungary, and Romania referred to by the Secretary of State and the countermeasures undertaken by the United States, see pages 503 ff., 980 ff., and 1052 ff., respectively.

611.69231/3–1350

Memorandum by the Assistant Secretary of State for European Affairs (Perkins) to the Secretary of State[1]

SECRET [WASHINGTON,] March 13, 1950.

Subject: Vesting of Hungarian, Rumanian and Bulgarian Government Owned Assets now Held by the Office of Alien Property.

Discussion

The Treaties of Peace with Hungary, Rumania and Bulgaria[2] give the United States the right to seize, retain and liquidate all property, rights, and interests in the United States on September 15, 1947 belonging to Hungary, Rumania and Bulgaria or their nationals within the limits of United States claims against those countries which have not been satisfied under other articles of the Treaties of Peace. The three governments concerned have taken no steps to honor their obligations to compensate American nationals' losses incurred as result of the war.

In view of the rights given to the United States under the treaties and in view of the present state of relations between the United States and the three countries concerned, it is suggested that the Department request the Office of Alien Property to proceed with vesting action against assets which are owned by the three governments and which were blocked in the United States pursuant to Executive Order 8389 as amended.[3] There would be excluded from such vesting diplomatic and consular property of these governments as provided by the treaties. It is the view of the interested divisions that assets belonging to private citizens of these governments should not be vested at the present time.

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[1] The source text is initialed by Deputy Assistant Secretary of State for European Affairs Llewellyn E. Thompson.

[2] For the texts of the Treaties of Peace with Hungary, Romania, and Bulgaria, all signed in Paris, February 10, 1947, and entered into force on September 15, 1947, see TIAS 1651, 61 Stat. 2065, or 41 UNTS 135 (for Hungary); TIAS 1649, 61 Stat. (2) 1757, or 42 UNTS 3 (for Romania); TIAS 1650, 61 Stat. 1915, or 41 UNTS 21 (for Bulgaria).

[3] 7 *Federal Register* 2168.

It is understood that approximately the following government owned assets are presently held by the Office of Alien Property:

Rumania	$19,256,000
Hungary	253,000
Bulgaria	2,304,000

The attached letter is a request that the Office of Alien Property proceed with vesting action against the assets concerned, the technical details and timing to be worked out between the Department officers and officers of the Office of Alien Property. The action will be held up pending the outcome of the Vogeler appeal or until such time as it is determined that the action will have no prejudicial effect on Vogeler's situation.

Recommendation

It is recommended that the attached letter be signed.[4]

[4] The proposed letter, signed by the Secretary of State, was sent to Attorney General J. Howard McGrath on March 29, 1950; not printed (611.69231/3-2950). Soon after the despatch of the letter a Nationalization Claims Policy Committee was established to prepare recommendations on policy regarding claims of American citizens for property nationalized or otherwise taken by the Soviet Union or its Eastern European satellites.

120.32148/3-2250

The Deputy Under Secretary of State (Rusk) to Major General James H. Burns[1]

SECRET [WASHINGTON,] March 22, 1950.

MY DEAR GENERAL BURNS: Recent action by several Eastern European Governments has served to re-emphasize the importance and urgency of carrying out a reduction of personnel in our diplomatic missions in those countries. Such a reduction would seem to be the only feasible means, under existing circumstances, of preserving the ability of our combined staffs to accomplish their primary objectives and of forestalling further repressive measures which might completely nullify the effectiveness of our missions and even lead to a total break in diplomatic relations with those countries.

As you are aware from the contents of Army cable MA56 of March 15, 1950, from the Military Attaché at Warsaw, the Polish Government has formally requested that the present Service Attaché staff of ten officers and twenty-five auxiliary personnel be reduced by April 15, 1950, to four officers and eight auxiliary personnel, or a total of twelve.[2] As you also know, the Hungarian Government has demanded a drastic reduction in the civilian and military staffs of the

[1] Major General Burns was Assistant to the Secretary of Defense, Foreign Military Affairs and Military Assistance.

[2] The military message under reference here is not printed, but see telegram 399, March 15, from Warsaw, p. 1028.

American Legation at Budapest, subsequently declaring three of the Service Attachés *persona non grata*.[3] The Rumanian Government has severely cut the size of our staffs in Bucharest through refusing to issue visas for replacement, and, after agreement among the interested Departments in Washington, our Minister has recently submitted to the Rumanian Government a proposal involving a cut of about 50% of both civilian and military staffs.[4] In Czechoslovakia the pressure has not yet been so severe but new harassments are increasingly curtailing available sources of intelligence material.[5]

In light of these facts the Department of State feels strongly that an attempt to maintain the current Tables of Organization for Service personnel in Warsaw, Budapest and Prague would only serve to increase the vulnerability of the missions as a whole. It is believed that enough is known now of Soviet tactics and intentions to predict that their goal is to reduce to a minimum all American representation in the satellite countries of Eastern Europe. We believe that this objective can be more effectively countered by reducing our representation to a hard core of highly qualified personnel, adequate to exploit our greatly reduced capabilities at those posts, than by making a clearly futile attempt to maintain our existing TO's and thereby providing pretexts for further reducing our capabilities until they reach zero. While we have not yet been met with a concrete demand in Czechoslovakia, we consider that there is advantage in reducing now at our own initiative and on our own terms, rather than waiting until the Czechs fix our TO for us, as the Poles have just done.

As has been explained in previous discussions between the Department of State and the Department of Defense on the subject of staffing patterns in Eastern Europe,[6] the State Department has been carrying

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[3] See the note of March 4 from the Legation in Hungary to the Hungarian Foreign Ministry and the editorial note, pp. 995 and 997.

[4] See the note of March 14 from the Minister in Romania to the Romanian Foreign Minister, p. 1055.

[5] For documentation on the further worsening of relations with Czechoslovakia and the harassment of American officials, employees, and citizens in Czechoslovakia, see pp. 526 ff.

[6] At the daily meeting of the Secretary of State with his principal advisers on February 24, there was a discussion of the size of American military service attaché establishments in the countries of Eastern Europe. Deputy Under Secretary of State Rusk explained that the Department of State had been trying for some time to achieve agreement with the Department of Defense on the reduction of the number of attachés in the satellite countries. Rusk thought that the Secretary of State might have to take up the question with President Truman. Secretary Acheson was willing to do so, but he wanted the matter brought forcefully to the attention of Secretary of Defense Louis Johnson. Rusk instructed Deputy Assistant Secretary of State for European Affairs Llewellyn E. Thompson to make strong representations through Najeeb E. Halaby, Director of the Office of Foreign Military Affairs of the Department of Defense (Summary of Daily Meeting with the Secretary, February 24, 1950: Secretary's Daily Meetings: Lot 58 D 609: February 1950). Lot 58 D 609 is a chronological collection of the records of the Secretary of State's daily meetings with top Department of State officials for the years 1949–1952, as maintained by the Special Assistant to the Secretary of State.

out a gradual reduction of the civilian personnel over a period of the past two years. Currently, it is in the process of carrying out a 50% reduction of its personnel in the American Legation at Budapest, that is, from a current strength of 41 to approximately 24 (which will be reduced by a further 4 if the USIS office is forced to close as we have every reason to anticipate). In Czechoslovakia the civilian staff of the Embassy has been reduced since January 1948 from a total authorized strength of 67 to that of 51 and further reductions are in the process of being carried out. Likewise, in Poland during the past two years the civilian staff of the Embassy has been reduced from 58 to 37 members and reductions are continuing.

Similarly, I believe that immediate consideration must be given to reducing the Service Attaché staffs at Warsaw, Prague and Budapest from their current Tables of Organization to the following:

Warsaw: Officers—4 Enlisted Men and Civilians—8

. . . . . .

Czechoslovakia: Officers—4 Enlisted Men—10

. . . . . .

Hungary: Officers—3 Enlisted Men—6

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Since the Department of State must act immediately if the situation in Eastern Europe is not to deteriorate to the point of losing our listening posts completely, I should appreciate an early indication of any over-riding objection by the Department of Defense to the staffing indicated above. I should be happy to discuss this with you at your convenience.[7]

Sincerely yours, DEAN RUSK

[7] In subsequent high-level meetings between State and Defense Department representatives, agreement was reached on reduced staff levels for service attachés in the Eastern European Missions. Documentation on those staff reductions is included in the compilations on relations with Czechoslovakia, Hungary, and Poland presented elsewhere in this volume.

Editorial Note

On March 30, 1950, the International Court of Justice at The Hague delivered an advisory opinion on the interpretation of the Treaties of Peace with Bulgaria, Hungary, and Romania. By 11 votes in favor to 3 opposed, the Court answered in the affirmative the first two questions referred to it by the United Nations General Assembly, pursuant to General Assembly Resolution 294 (IV) of October 22, 1949, in connection with the alleged violations of human rights in Bulgaria, Hungary, and Romania.

The questions asked were: (1) whether diplomatic exchanges between Bulgaria, Hungary, and Romania and certain signatories of the Treaties of Peace with these three countries, disclosed the existence of disputes subject to the treaty provisions for the settlement of disputes and (2) if so, whether Bulgaria, Hungary, and Romania were obliged to carry out the relevant treaty provisions, including the appointment of their representatives to the Treaty Commissions mentioned in those same provisions.

The Court postponed consideration of the two other questions in this connection referred to it by the General Assembly on October 22, 1949, until it had been notified by the United Nations Secretary-General that the three governments concerned had failed to notify him that they had appointed representatives to the Treaty Commissions provided for in the Peace Treaties.

For extensive excerpts from the advisory opinion of the Court, including the text of the General Assembly resolution of October 22, 1949, see *American Foreign Policy, 1950–1955: Basic Documents*, Department of State Publication No. 6446, volume II, pages 2070–2077. Previous documentation on the efforts of the United States to achieve fulfillment of the provisions of the Treaties of Peace with Bulgaria, Hungary, and Romania is presented in *Foreign Relations*, 1949, volume V, pages 326 ff., 451 ff., and 521 ff., respectively.

News Division Files: Secretary of State's Press Conferences

Memorandum of the Secretary of State's Press and Radio News Conference, Wednesday, April 5, 1950 [1]

[Extract]

No. 12 [Washington, undated.]

. . . . . .

Maintenance of United States Diplomatic Staffs in Eastern Europe

A correspondent asked what the policy of the United States Government was toward the maintenance of diplomatic staffs in the Eastern European countries. Mr. Acheson replied that our policy, of course, was to maintain staffs in countries with which we had diplomatic relations. He said that so far as those particular countries were concerned, it had been increasingly difficult for the staffs to operate.[2] He continued that it had not seemed to us that those countries really

[1] This memorandum was prepared by Michael J. McDermott, Special Assistant to the Secretary of State (Press Relations).

[2] Documentation on the restrictions imposed upon United States Diplomatic Missions in Czechoslovakia, Hungary, Poland, and Romania are included elsewhere in this volume in those sections dealing with U.S. bilateral relations with those particular countries.

wished to maintain relations on what we would regard as a sound and helpful basis. He said that, therefore, it seemed to us that what we probably should do was to reduce our staffs in those countries. He explained that they weren't performing any useful function, adding that until they could, they ought to be reduced in size, so that we were considering doing that.

A correspondent asked if the Secretary could go into any more detail. He said that Mr. Acheson might be familiar with a story printed this morning that by June 1 our staffs in those countries would be reduced by 50 percent from March. The correspondent asked if that were correct or what our decision in that matter was. The Secretary answered that he did not know whether it was correct or incorrect. He said that he was not informed of the fact that any date had been set for any reduction or that any particular flat amounts had been decided upon. He continued that what we had been doing was examining the situation in each one of the countries and seeing what the staffs could usefully do and how many people were required to do what they could do—in other words, what they were permitted to do. He said that in the light of that, we were attempting to reach some conclusions about the size. The Secretary said it might be that some date had been set, but that if so, he did not know about it.

Asked if he thought the Russians were planning to force us out of all the satellite countries, Mr. Acheson remarked that it did not look as though they were trying to encourage us to expand our activities, no. He said he did not know whether they would force us out or whether they wished to make us very unhappy.

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396.1-LO/4-1150

Paper Prepared in the Office of Eastern European Affairs, Department of State [1]

SECRET [WASHINGTON, undated.]

POLICY TOWARD SOVIET SATELLITES IN EASTERN EUROPE

PRINCIPAL US OBJECTIVES

The principal purpose of US policy toward the satellite states of Eastern Europe is to weaken the Soviet grip upon them, with the ulti-

[1] This paper was circulated within the Department of State as document FM D B-22*a*, April 11, 1950. It was one of many position papers on various world political and economic topics prepared for use in connection with the Tripartite (American-British-French) Foreign Ministers meetings in London, May 11–13, 1950, and the preceding meetings of American, British, and French Representatives in London in late April and early May. This paper served as the basis for statements made by American representatives to an American-British meeting on April 25 and an American-British-French meeting on April 28; see the editorial note, p. 30.

mate aim of eliminating preponderant Soviet power there and enabling these nations to exist as free members of the European community. For the immediate future, as the Sovietization of the satellites continues apace, we wish to preserve what we can of Western influence and to maintain our concern for the rights and welfare of these peoples.

BACKGROUND

At the present time, the trend in the satellite states which started in 1944 is moving rapidly toward Moscow's goal of undiluted communist regimes under absolute Soviet control. The campaign to eliminate all vestiges of Western influence is reaching a climax in "spy trials", arrests and mistreatment of the citizens of Western nations, measures against Western diplomatic missions which in the case of Bulgaria have already led to a break in relations with the US,[2] and the restriction or banning of the informational activities of Western nations. Meanwhile, the satellites have shown a growing lack of interest in trade with the west and are cutting other ties with the free world by withdrawing from participation in a number of international organizations such as the World Bank and Fund, FAO, UNESCO and WHO. At the same time, their propaganda attacks on the West have become increasingly violent. This situation raises the possibility that the US and other Western nations might eventually be forced to withdraw their diplomatic missions and see the entire area sealed off as a Soviet preserve with its human and material resources utilized exclusively to build up Soviet power. It is plain that, if the Soviets have complete control of these countries and the West is not able even to cause them any worry or inconvenience there, they will be better able to devote their energies to disruptive efforts in Germany and Western Europe. It is in accordance with Western interests, as well as with the basic principles of American policy in relation to the self-determination of peoples, that the trend toward the domination and absorption of the nations of Eastern Europe by the USSR should be slowed and, if possible, reversed.

RECOMMENDATIONS

Because of the position of virtual impotence to which the West has been reduced in Eastern Europe, it is difficult to find positive means of attaining or even pursuing Western objectives. However, certain means appear to be available and are listed below. It would be desirable to obtain British and French concurrence in principle to utilizing these means to the maximum extent practicable.

1. Despite provocation and pressures, the Western powers should continue to maintain diplomatic representation in the satellite coun-

[2] For documentation on the severance of diplomatic relations between the United States and Bulgaria in February 1950, see pp. 503 ff.

tries so long as they are not forced to withdraw by creation of situations which can no longer be tolerated. The maintenance of at least some representation is deemed necessary in order (*a*) to obtain such useful and possibly vital information as may be found on the spot, (*b*) to indicate that we do not intend to abandon our interests in these countries or to abandon these peoples to Soviet domination, (*c*) to be present and thus able more easily to take advantage of any unexpected situations which may arise, as happened in the case of Yugoslavia in 1948.

2. The three Western powers may feel compelled to take certain measures against the satellite governments in retaliation for actions of the latter against their diplomatic missions or in violation of the rights of their citizens. In order that such retaliatory measures may be as effective as possible, the three powers should make a practice of consulting each other in advance and, in cases where it seems advantageous, coordinating their actions.

3. The Western powers should maintain a strong propaganda offensive against the communist regimes of Eastern Europe, especially through radio broadcasts, in order to maintain the morale of the people and to cause difficulties to Soviet efforts to establish full control. Every effort should be made to expose the fact that Soviet domination of the satellites is maintained by force or the threat of force and by the imposition of Soviet-Communist agents in position of power. The US, UK and France should use the means available to them, in the fields of diplomacy and propaganda, to work toward securing the withdrawal of Soviet armed forces and to undermine the police system whereby the Soviets maintain preponderant power. They should cooperate in making available to each other information, suggestions, and facilities for such a propaganda offensive, and in general should coordinate their efforts in this field.

4. The Western powers should make full use of the UN forum to keep before the world the issue that these countries are being deprived of independence and that their peoples are being deprived of their fundamental human rights. The case against Bulgaria, Hungary and Rumania on violation of the human rights clauses of the Peace Treaties should be pursued with the purpose of getting an international decision to the effect that these Governments are guilty of treaty violation and of exploiting fully the propoganda value of this basic issue of individual freedom. Consideration should be given to the desirability of bringing before the General Assembly the question of the treatment of diplomatic representatives in Eastern Europe and of unlawful and improper treatment by the Soviet and satellite governments of the citizens of other states.[3]

5. The Western powers should not lose sight of the fact that the nations of Eastern Europe have been and should be a part of the Euro-

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[3] Telegram Tosec 56, May 2, to London, not printed, instructed the American representatives at the London Foreign Ministers preparatory talks (see the editorial note, p. 30) to sound out British, French, and other Western officials on the possibility of raising at the next U.N. General Assembly the problem of the treatment of Western diplomatic missions in Eastern Europe. The Department of State felt that while a General Assembly discussion would not by itself bring about any change in the situation of Western Missions, it might have some effect on the policies of Communist governments or at least on the rate at which these policies were put into practice (396.1–LO/5–250). No message directly responding to these instructions has been identified.

pean community. This point might be emphasized in connection with the activities and deliberations of the Council of Europe and any other moves which are being made in the direction of a united Europe. In this connection, judicious use should be made of exiles from the satellite countries although there should be no recognition of them as having any official status. The US, UK and France should coordinate their attitudes and policies toward the various exiled groups with a view to making the fullest use of them in the interest of Western policy, which we also conceive to be the interests of those nations themselves.[4]

6. The Western powers should make full use of the advantages presented to them by Tito's quarrel with the Kremlin in encouraging all signs of Titoism in the Soviet satellites, without however losing sight of the fact that the majority of the people in those countries oppose all varieties of communism. . . .

7. Export controls toward the Soviet satellites should be continuously adjusted in accordance with the security interests of the West. In the adjustment process the paramount importance of security should be emphasized but at the same time recognition should be given to the desirability of a certain volume of East-West trade in non-security items to the extent necessary to support the Western European economies without creating an undue dependence on the East. (This question should not be raised by the US but we should be prepared to discuss it if raised by the other powers—see paper on East-West trade.[5]

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[4] For documentation on the attitude of the United States toward Eastern European exile groups and leaders, see pp. 337 ff.

[5] For documentation on United States trade policy toward Eastern Europe and the Soviet Union, see pp. 65 ff.

640.001/4–1350 : Telegram

The Secretary of State to the Embassy in the United Kingdom

CONFIDENTIAL WASHINGTON, April 13, 1950—8 p. m.

1679. Embtel 1932, Apr 11.[1] Although GA res Oct 22, 1949 on satellite peace treaties does not require US and UK to take any action following delivery of ICJ advisory opinion on first two questions[2] and presumably Bulg, Hung, Rum Govts have been notified of opinion

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[1] In telegram 1578, April 7, to London, not printed, the Department of State, in view of the advisory opinion rendered by the International Court of Justice on March 30, proposed that parallel notes be sent by the United States, United Kingdom, and interested British Dominions to Bulgaria, Hungary, and Romania again calling upon them to appoint members to Treaty Commissions as provided for under the Peace Treaties (640.001/4–750). Telegram 1932, April 11, from London, not printed, reported that the British Foreign Office had apparently not contemplated sending such notes as proposed by the Department but would give immediate consideration to the proposal. The Foreign Office asked for the Department's reasons for the decision to take such additional action (640.001/4–1150).

[2] Regarding the International Court of Justice advisory opinion of March 30 and the United Nations General Assembly resolution of October 22, 1949, under reference here, see the editorial note, p. 12.

by ICJ itself and by SYG, Dept believes desirable plaintiff Govts send additional notes to three Govts along lines text Deptel 1578, Apr 7 for fol principal reasons:

1. To take account of new situation created by announcement of opinion of world's highest judicial organ refuting legal arguments advanced by satellite govts;
2. To complete record of dipl exchanges by formally calling attn of satellite Govts to ICJ opinion that they are obliged carry out provisions disputes arts and appoint their reps to comms, and reminding them we have already complied with those provisions by appointing our reps;
3. To provide further means for publicizing court's opinion especially on second question, particularly important in view possibility court may not decide in affirmative on third and fourth questions.

In view 30-day limit set by GA res for notification appointments to SYG, our notes shld be delivered near future.[3]

ACHESON

[3] The British Foreign Office subsequently agreed to send notes to Bulgaria, Hungary, and Romania as proposed by the Department of State, subject to certain drafting changes in the American draft text. The notes were delivered on April 26: see the editorial note, *infra*.

Editorial Note

On April 26, 1950, the United States Government sent to the Governments of Bulgaria, Hungary, and Romania additional communications on the subject of the disputes which had arisen over the violation of the human rights clauses of the Treaties of Peace with the three states. The communications drew the attention of the three Governments to the advisory opinion given by the International Court of Justice on March 30 (see the editorial note, page 12). For the text of the note to the Hungarian Government, see Department of State *Bulletin*, May 8, 1950, page 738, or *American Foreign Policy, 1950–1955: Basic Documents*, volume II, page 2078. Substantially similar notes were delivered to Romania and Bulgaria. The note to the Bulgarian Government was delivered through the Swiss Government which assumed charge of American interests in Bulgaria following the severance of diplomatic relations between the United States and Bulgaria in February 1950. The British Government sent parallel communications to the Bulgarian, Hungarian, and Romanian Governments. For the text of an explanatory statement issued to the press by the Department of State, see Department of State *Bulletin*, May 8, 1950, page 737.

For an explanation of the Department of State's reasons for sending these communications, see telegram 1679, April 13, to London, *supra*.

411.4031/5–450

Memorandum of Conversation, by Mr. Claiborne Pell of the Office of Eastern European Affairs

SECRET [WASHINGTON,] May 4, 1950.

Participants: S/P—Mr. Joyce [1]
EE—Mr. Reinhardt [2]
P—Mr. MacKnight [3]
CIA—Mr. Offie [4]
EE—Mr. Campbell [5]
RA—Mr. Holder [6]
EE—Mr. Pell

Discussion:

Mr. Joyce called a meeting to discuss the relationship to be established between the Department and Radio Free Europe.[7]

After a general exposé of Radio Free Europe, its origin, personnel and mission, Mr. Offie gave the following replies, which were concurred in by the other participants of the meeting, to an informal questionnaire that was being used as a basis of discussion.

Agreements:

Mr. Joyce will, on the policy level, act as the Department's cut out with Radio Free Europe.

The Department will prepare a regular policy guidance for the American supervisory personnel of Radio Free Europe. This guidance will be used as the basic terms of reference by Radio Free Europe. Furthermore, Radio Free Europe will be open to any positive ideas that the Department may offer.

There will be a man at the working desk level who will be responsible that there will be no deviation from overall policy. Furthermore, the program will be recorded and translations will be given to the Department when requested.

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[1] Robert P. Joyce, member of the Policy Planning Staff.

[2] G. Frederick Reinhardt, Deputy Director of the Office of Eastern European Affairs.

[3] James M. MacKnight, Special Assistant to the Assistant Secretary of State for Public Affairs.

[4] Carmel Offie of the Central Intelligence Agency.

[5] John C. Campbell, Officer in Charge of Balkan Affairs, Office of Eastern European Affairs.

[6] Oscar C. Holder of the Office of European Regional Affairs.

[7] Radio Free Europe was established in December 1949 as a division of the National Committee for a Free Europe, a private organization created in June 1949 to find occupations for Eastern European exiles and to facilitate broadcasts by these exiles to the peoples of Eastern Europe. For documentation on the attitude of the U.S. Government toward the National Committee for a Free Europe, see *Foreign Relations*, 1949, vol. v, pp. 277 ff. Transmission of Radio Free Europe broadcasts began in July 1950 from a transmitter located in Western Germany. For an account of the origins of Radio Free Europe, see Robert T. Holt, *Radio Free Europe* (Minneapolis: University of Minnesota Press, 1958).

As presently conceived, the vast bulk of the material will come from unclassified (including wire services) and underground services. However, a small, but spicy percentage will be culled from official sources.

The Department of State is recognized as the senior clearance agency and, when an item is carried by State and one or more other government agencies, the item will be submitted to State for clearance.

As a general rule, State originated material that is used will be non-classified or restricted. There will be a few instances when more highly classified items will be used.

The responsibility for clearance rests with the geographic offices. The mechanics of clearance are to be worked out later at a meeting of the interested Departmental officers.

It was agreed that State-originated non-classified material may be used without further clearance.

It was further agreed that, for the time being, a detailed list of items desired by Radio Free Europe would not be sent out to the EE missions.

[Claiborne Pell]

240.1122/4–450 : Instruction

The Secretary of State to the Embassy in the United Kingdom

RESTRICTED [Washington,] May 4, 1950.

No. 199

The Secretary of State encloses herewith copies of letters dated March 20 and April 4, 1950, from Mrs. Hermann Field, 82 Corringham Road, London N.W. 11, England, concerning the Department's efforts to press the case of her husband with the Czechoslovak and Polish Governments, and refers to the Embassy's despatches No. 1648 of April 6 and No. 1911 of April 17 on this subject.[1]

In this connection the Officer in Charge or the Consul General of the Mission is requested to call in Mrs. Field and transmit to her personally a copy of the following statement:

"The Department of State has given careful thought to the points which you raise in your recent communications to the Embassy and

[1] Neither the letters nor the despatches under reference in this paragraph are printed. They deal with the disappearance in Eastern Europe of Mrs. Field's husband Hermann Haviland Field, Hermann's brother Noel Haviland Field, and Noel's wife Herta Katherina Field. For a brief sketch of the disappearance, see the note transmitted in telegram 99, August 3, to Moscow, p. 39. A more detailed review of the efforts of the United States Government during 1949 to determine the whereabouts of the Field family was recorded in a letter of late December 1949 from Deputy Assistant Secretary of State Thompson to the Consul General in the United Kingdom; see *Foreign Relations*, 1949, vol. v, p. 56.

to the Department with reference to the disappearance of Mr. Hermann Field and the efforts of the United States Government in his behalf. It appears that the chief matters of concern to you in these communications are the following:

(1) The question of replies by the Department to your letters;
(2) the Department's view of information presented by you to indicate that Hermann Field's disappearance is connected with developments in Czechoslovakia;
(3) possible differences between the representations of the United States Government to Poland and those to Czechoslovakia in relation to this case;
(4) the question of the efficacy of public statements on the matter; and
(5) the Department's policy concerning this subject.

"The Department wishes to state that in regard to the question of your letters serious attention has been given to each of them and an endeavor has been made to reply to the specific inquiries in your correspondence by instructions to officers of the Embassy on the replies to be made. Replies of this type represent in no way an attempt to treat the matter lightly or to be evasive. The Department's purpose was to answer you through the Embassy in a manner customarily used in communicating with American citizens and local nationals in a foreign country.

"With respect to your information on your husband's connection with developing events in Czechoslovakia, the Department has valued the light which you were able to shed on such questions as Hermann Field's acquaintance with Vilem Novy and Evžen Loebl [2] and on the reference in Kopriva's [3] statement of February 25 to the Central Committee of the Communist Party of Czechoslovakia on revolutionary vigilance concerning the relationship between Novy and a national of a Western state. It would have been even more useful if a full account of Hermann Field's connections in Czechoslovakia might have been supplied in the beginning.

"As to possible differences in the representations of the United States Government to Poland and Czechoslovakia, representatives of the Department have noted from your communications and from conversations with Dr. Elsie Field [4] here that the Field family seems to

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[2] Vilém Nový member of the Central Committee of the Czechoslovak Communist Party, Editor-in-Chief of the Party newspaper *Rude Pravo*, and Chairman of the Foreign Affairs Committee of the Czechoslovak National Assembly. Evžen Loebl was Czechoslovak Deputy Minister of Foreign Trade. Both Nový and Loebl disappeared in October or November 1949. It subsequently became known that they had been arrested for alleged anti-Party activity.

[3] Ladislav Kopriva, member of the Presidium of the Czechoslovak Communist Party; from May 1950, Minister of National Security. Kopriva's report to the Central Committee under reference here appeared in newspaper *Rude Pravo* on March 3, and a translation was transmitted to the Department of State as an enclosure to despatch 262, March 16, from Praha, not printed (749.00/3–1650).

[4] Dr. Elsie Field (Doob) was the sister of Noel and Hermann Field. Many of the points made in the policy statement quoted here were also made during the course of a conversation on April 7 between Dr. Field and Deputy Assistant Secretary of State Llewellyn Thompson and Harold C. Vedeler, principal assistant to the Officer in Charge of Polish, Baltic, and Czechoslovak Affairs of the Office of Eastern European Affairs (memorandum of conversation by Vedeler, April 7, 1950: 240.1122/4–750).

have gained an impression that for some unexplained reasons of general policy the Department has pressed the case many times with the Polish authorities but has dealt far less energetically with the Czechoslovak authorities. It is maintained that the Polish Foreign Office made an official statement to Chargé d'Affaires Lyon on September 22, 1949 that Hermann Field was not in Poland, was in no Polish prison and had not been taken by the Polish police.[5] The question has been raised why the Department had not accepted this reply as definitive and had considered the Czechoslovak note of January 6[6] as satisfactory. The question has also been asked why the Department did not immediately follow up the Polish statement of September 22 with a demand to the Czechoslovak Government for proof that Hermann Field did not arrive in Czechoslovakia.

"The Department considers that this interpretation is not warranted by the facts. As the letter of Ambassador Douglas, dated March 31, 1950,[7] indicates and as it is now desired to reaffirm, the United States Government has repeatedly pressed this case with both the Czechoslovak and Polish Governments and has had no reason to deal with one government less urgently than the other. The American Embassy in Prague approached the local authorities in Czechoslovakia early in September concerning the question of your husband's whereabouts and sent, on the instructions of the Department, the first of this Government's notes to the Czechoslovak Ministry of Foreign Affairs on this subject in early October.[8] Since that time the United States Government has made a series of representations to the Czechoslovak Government, both oral and written, with respect to the three Fields.

"In the opinion of the Department the Polish Government has never responded in any definitive way to its approaches; the Poles have failed to reply to the formal notes of the Embassy in Warsaw; and they have always indicated orally that the investigation is continuing. The statement to Mr. Lyon on September 22 was made only informally by Szeminski, the Acting Director of the British-American Department of the Polish Foreign Office, and contained the reservations that 'so far as the Polish authorities have been able to ascertain' and 'so far as the Foreign Ministry could ascertain', Szeminski would not agree that Mr. Lyon reveal to the press the statement that Hermann Field was not in Poland and insisted that any more definite report must await the outcome of the investigation still in

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[5] The statement to Chargé Cecil B. Lyon under reference here was reported upon in telegram 1249, September 22, 1949, from Warsaw, not printed (340.1115/9–2250).

[6] The Czechoslovak Foreign Ministry note under reference here was reported upon in telegram 30, January 6, from Praha, not printed. The note reviewed evidence which purported to demonstrate that Noel, Herta, and Hermann Field had all departed Czechoslovakia following visits there at various times in 1949. The note concluded with the assertion that the investigations of the Fields had been conducted with the greatest possible care and conscientiousness and were considered definitive (240.1122/1–650).

[7] On March 28, Mrs. Hermann Field, accompanied by Dr. Elsie Field (Doob), called on Lewis W. Douglas, the Ambassador in the United Kingdom, and discussed aspects of the Field case. In his letter of March 31 to Mrs. Field, not printed, Ambassador Douglas reviewed and responded to various points raised by Mrs. Field during the March 28 conversation. The text of the Ambassador's letter was transmitted to the Department of State as an enclosure to desptach 1648, April 6, from London, not printed (240.1122/4–650).

[8] Not printed.

progress. He also informed the Embassy later that there was nothing to report and that the investigations were continuing.

"The Department wishes to confirm the statement in the letter of Ambassador Douglas that the Polish Government made no written reply to a note presented to the Polish Foreign Office by the American Embassy in Warsaw on September 13, 1949.[9] It is also desired to confirm that the Polish Government has never made a reply to any of the American notes unless a formal Polish note of October 31[9] refusing to accept one of the Embassy's notes might be considered a reply. In the absence of any written reply to the Embassy's notes the United States Government has continued to press the Poles in order to pursue every avenue which might yield any information.

"The representatives of the Czechoslovak Government have been more definite than the Polish Government in their informal statements disclaiming that your husband was in their country. A Deputy Vice Minister (Hajdu) stated to Ambassador Briggs on November 30 in the presence of acting Foreign Minister Siroky that it was certain none of the Fields were in Czechoslovakia.[10] The Czechoslovak Ambassador here also stated on January 5 in a conversation with Assistant Secretary Perkins that communications from his Government indicated that it had no evidence of the Fields being in Czechoslovakia.[11] The Czechoslovak Government had at least made formal written replies to the United States' notes on January 6 and February 17.[12] The Department did not regard these replies as satisfactory but the Czechoslovak Government made it clear that it had nothing to add at the time.

"In regard to public statements the Department shares the view of Ambassador Douglas that it is difficult, if not indeed impossible, to advise any general rule to follow. It is uncertain whether public statements would have an effect on those whom the statements are intended to influence. It is believed, however, that no harm is done by publicity and that your statements to the press in relation to Kopriva's reference in this connection may have been advisable. This

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[9] Not printed.

[10] The statement under reference here was reported upon in telegram 1784, November 30, 1949, from Praha, not printed. Other portions of the same conversation between Ellis O. Briggs, the Ambassador in Czechoslovakia, and Czechoslovak Foreign Minister Viliam Široký and Assistant Deputy Foreign Minister Vavro Hajdů were reported upon in telegram 1779, November 30, 1949, from Praha; for text, see *Foreign Relations*, 1949, vol. v, p. 414.

[11] Assistant Secretary of State for European Affairs George W. Perkins called Czechoslovak Ambassador Vladimir Outrata to the Department of State and informed him that the American press and public were becoming increasingly concerned over the Field case, and increasing pressure to settle the matter could be expected. Ambassador Outrata was asked to convey to his government the deep concern of the United States Government over the matter. Outrata replied that his government had no evidence that the Fields were in Czechoslovakia, and he suggested that under current conditions in Central Europe there might be many reasons which cause people to disappear (memorandum of conversation by Charles W. Yost, January 5, 1950: 240.1122/1–550). Assistant Secretary Perkins also had a similar conversation with Polish Ambassador Jozef Winiewicz on January 5.

[12] Regarding the Czechoslovak note of January 6 under reference here, see footnote 6, above. Telegram 255, February 21, from Praha, not printed, reported the receipt of a Czechoslovak Foreign Ministry note of February 17 stating that further detailed investigations had failed to disclose any facts not already reported to the American Embassy (240. 1122/2–2150).

appears to be a question which you will have to decide yourself in the specific circumstances that arise.

"The policy of the Department in the cases of the three Fields is to make every possible effort to obtain information which might help in locating them; to continue to press the matter of your husband's disappearance with both the Polish and Czechoslovak Governments and of the disappearance of Noel and Herta Field with the Czechoslovak Government; and to assist in any other feasible way. No means, however, are seen of charting an exact course in advance which could be followed step by step in the settlement of these cases. Whether it can be demonstrated that Hermann Field arrived or failed to arrive in Czechoslovakia on August 22 by the plane on which he was scheduled to leave Warsaw, he may well have been detained in, or brought to, Czechoslovakia at a subsequent date. If he is now in Czechoslovakia, it is considered likely that the Czechoslovak authorities may eventually hold a trial with which he will be used in some connection. The Department will therefore not cease in its efforts to make the Czechoslovak authorities realize that this Government is not satisfied with the replies that have been given so far.

"Reference is made in this connection to the question which you raised with Ambassador Douglas whether the Department would be prepared to issue a public denial should your husband be charged with espionage on behalf of the United States Government. The Department could not state what its position would be in such circumstances without knowing the exact nature of the charges involved. The Department would, however, make clear that your husband was never employed by the United States Government.

"In line with the foregoing policy the American Embassy in Prague, acting on instructions from the Department,[13] reopened on April 17 with Czechoslovak Ministry of Foreign Affairs the question of the Fields with specific reference to your husband. A representative of the Foreign Office stated that he was afraid all information on the three Fields had already been given but that he would have renewed inquiries made.[14] Later, on the same day, the Embassy transmitted a formal note [15] on the subject stressing the importance which is attached to locating the Fields and asking what new information the Czechoslovak authorities had obtained since their notes of January 6 and February 17. The note dealt with the reference of Kopriva to a connection between Vilem Novy and a national of a Western state as an apparent allusion to Hermann Field and requested information on his present whereabouts in view of that reference. The note also mentioned the statement of the Polish official on September 22 and in the light of that statement asked for answers to the following definite questions:

1. Was Hermann Field arrested at the Prague airport on August 22 before passing through Customs?

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[13] The instructions under reference were sent in telegram 274, April 13, to Praha, repeated to Warsaw as 178, not printed (240.1122/2–2550).

[14] The response referred to here was reported upon in telegram 549, April 17, from Praha, not printed (611.49/4–1750).

[15] The text of the note, dated April 17, was transmitted to the Department of State as an enclosure to despatch 452, May 4, from Praha, neither printed (240.1122/5–450).

2. Will the Czechoslovak authorities after further search state definitely whether or not Hermann Field is in Czechoslovakia?

3. If Hermann Field is now being detained in Czechoslovakia, would the Czechoslovak authorities inform the Embassy of any charges against him and permit him to be visited by an American consular official?

"At the same time the Department instructed the American Ambassador in Warsaw to take up the case again with the Acting Foreign Minister in Poland. The latter indicated that there was nothing to report. The Ambassador then reminded the Minister that for eight months the United States Government had been trying to get a report from the Polish Government on Hermann Field's disappearance. He made it clear that the continued failure of the Polish Government to supply any information about Hermann Field was causing the greatest concern in the United States and led the Department and the United States to take an increasingly serious view of the case. In reply to the question whether it was really possible that the investigation was still going on the Minister stated that it was continuing; that he could not state when it would be completed; and that as soon as he had some information he would transmit it to the Ambassador.[16]

"The Department believes that these two examples are typical of its endeavor to assist in this case through representations to both the Czechoslovak and Polish Governments. The Department will continue to do whatever it can in behalf of your husband." [17]

[Dean Acheson]

[16] The conversation between Ambassador Waldemar J. Gallman and Polish Acting Foreign Minister Stefan Wierblowski commented upon here was reported in telegram 554, April 20, from Warsaw, not printed (123 Gallman, Waldemar J.).

[17] The statement quoted in this instruction was subsequently transmitted to Mrs. Hermann Field by the Embassy in London.

611.4094/12-2150

The Embassy in the United Kingdom to the British Foreign Office [1]

Memorandum

The American Embassy refers to recent discussions with the Foreign Office concerning the joint course of action with respect to civil aviation policy toward the USSR and its satellites.[2] There is attached

[1] The source text was sent to Washington under cover of a letter of May 9, 1950, from Ernest A. Lister, Civil Air Attaché with the Embassy in the United Kingdom, to Thomas A. Carter, Chief of the Aviation Policy Staff, Office of Transport and Communications Policy, not printed, which explained that this memorandum and the enclosure would be handed to the Foreign Office on either May 9 or May 10.

[2] Telegram 203, January 17, to London, not printed, requested the Embassy to inform the appropriate British officials of the finalization of the revised United States civil aviation policy toward the U.S.S.R. and its satellites (NSC 15/3, January 5, p. 1) and to urge British approval thereof (611.6094/1-1750). Telegram 696, February 7, from London, not printed, reported that the Embassy had, as instructed, given to the British Foreign Office the text of the Recommendations 12-16 of NSC 15/3, and the British had commented in a letter of February 3 that they were in general agreement with American views (611.6094/2-750). Some differences of opinion between American and British officials regarding the interpretation of the new policy remained, however, and were the subject of subsequent discussions.

in this connection the text of a document which the Department of States proposes to use as a basis for instructions to certain United States Missions. The United States Government hopes that His Majesty's Government will find itself in agreement with the policy set forth in this statement.

If such agreement is reached, it is proposed that the substance of this statement be transmitted by the two Governments to the United Kingdom and United States Missions concerned. In this way, it should prove possible to avoid differences in understanding and interpretation by such Missions in explaining the joint course of action to third governments.

London, May 5, 1950.

[Enclosure]

Paper Prepared by the Embassy in the United Kingdom [3]

SECRET [London, undated.]

Civil Aviation Policy Toward the USSR and its Satellites

RECOMMENDATIONS

[Here follow the texts of paragraphs 12 through 16 of document NSC 15/3, January 5, pages 5–6, renumbered 1 through 5.]

BACKGROUND

Our previous policy, NSC 15/1,[4] called for (1) the blocking of civil air operations of the USSR and its satellites outside the area of Soviet control, and (2) the prohibition of the sale or export of civil aircraft and associated aviation equipment to Soviet or satellite agencies, as well as the denial of the use of facilities for overhaul, refitting and maintenance to USSR and satellite aircraft. These restrictive measures were to be carried out on a "common front" basis through the cooperation of other like-minded countries of Europe and the Near East. As an initial step toward the implementation of this policy, the Department of State sought the concurrence of the British Government. His Majesty's Government agreed with respect to the export aspects of the policy (2 above) and concurred that USSR and satellite civil air operations to the Near Eastern, South Asian and African area should be prevented. They did not, however, agree with us completely concerning "containment" of USSR and satellite air operations to Western Europe.

[3] According to the letter of May 9 from Lister to Carter, cited in footnote 1, above, this paper was derived from a "background summary" prepared in the Department of State and sent to Lister under cover of a letter of February 16 from Carter, neither printed.

[4] *Foreign Relations*, 1948, vol. IV, p. 451.

After some discussions our two governments reached agreement upon a joint policy which called for full implementation of the export aspects of the policy (NSC 15/1) and a less restrictive implementation with respect to satellite air operations (i.e. instead of attempting to "contain" satellite air operations completely, we would grant permission for satellite services outside the area of Soviet control if such concessions were necessary as a *quid pro quo* to obtain such services as we required, and were actually ready to operate, in satellite territory). We also agreed that, while facilities for overhaul, refitting or major maintenance should be denied to Soviet and satellite aircraft, the use of such minimum facilities as were necessary for the operation of such satellite air services as might be permitted and for securing adequate facilities for our own services in satellite territory would be authorized. Also, as provided for in the proposed policy, we agreed to make parallel approaches to other countries to persuade them to cooperate with us in putting the joint policy into effect.

The joint efforts of our two governments met with some success. With the cooperation of other friendly countries, a blockade against the export or sale of aviation equipment to the USSR or satellite agencies was successfully established and satellite air operations to the Near and Middle East were blocked. Some difficulties, however, were encountered in carrying out the air transport aspect of the policy insofar as satellite air operations to Western Europe were concerned. It developed that there was not a clearcut understanding between His Majesty's Government and ourselves with respect to the severity of the restrictive measures intended in this respect. This problem soon became reflected in the attitudes of several Western European countries who began to show uncertainty as to how tightly they should control satellite air operations to their territories.

Under these circumstances, the Department of State considered it advisable to review the United States policy (NSC 15/1), from which our joint policy stemmed, and concluded that it would be desirable in this connection to secure the current views of our military authorities concerning the military security factors involved. We were subsequently informed by the Department of Defense that the Joint Chiefs of Staff believed there were military advantages to be gained by such civil air penetration of satellite territory as might be arranged through bilateral agreements between satellite states and non-curtain countries on a reciprocal basis, that is, the granting of landing rights in non-curtain states, including the United States, to satellite states in exchange for similar landing rights in satellite territory. Our military authorities, however, did not believe a balance of advantages were obtainable through an exchange of rights between Near Eastern, South Asian, and African countries and any satellite state and that

continued "containment" of satellite civil air operations in that area was required in our national interest. It was concluded that our policy (NSC 15/1) should be modified to bring it into consonance with such revised views of the Joint Chiefs of Staff and with current political, economic and civil aviation considerations.

COMPARISON BETWEEN NEW AND OLD POLICY

It is believed that it will be of assistance to the addressee missions charged with the responsibility of implementing this new policy, as well as to those to which this instruction is being transmitted for information, if the similarities and differences between the new policy and its predecessor are highlighted.

An important, if not the most important, common denominator between the new and the old policy is the fact that the United States believes that civil air operations of USSR and satellite air carriers outside the area of Soviet control are motivated primarily by military considerations and are opposed to our national interest. This conclusion was contained in NSC 15/1 and has been reaffirmed in NSC 15/3.[5] There has been no essential change, therefore, in our estimation of the nature of the problem with which we remain convinced the United States and other non-curtain countries must effectively cope. Secondly, we continue to believe it imperative that our multilateral effort to prevent the sale and export of aircraft and associated aviation equipment to Soviet and satellite agencies be continued. Furthermore, we continue to believe that Soviet and satellite air operations to the Near Eastern, South Asian and African area should be blocked. Finally, we still consider that the predominant consideration underlying the problem is that of military security. This concept found expression in our previous policy and is reemphasized and confirmed in our new policy.

The principal difference between the old and new policy is in the extension of the tactics which we believe can be effectively employed in combating the threat to our national interests contained in USSR and satellite air operations outside the Soviet area of control. Our previous policy called for only one counter measure: the complete blocking of such operations through the erection of a counter iron curtain of the air along the periphery of the Soviet controlled area by the United States and other countries in Western Europe and in the Near and Middle East. Our new policy, however, envisages the possibility that the United States and certain non-curtain states, particularly certain Western European states, might be able to beat the USSR and its satellites at their own game, i.e. efforts to effect a reciprocal exchange of air services with a satellite state should be made by the

[5] January 5, p. 1.

United States or other non-curtain states *if* it can be clearly determined that a net balance of advantages would result, particularly from a military security point of view. This course of action, to be undertaken only after certain definite criteria are met, is an active tactic as compared with the passive and relatively defensive measure to which we previously limited ourselves. The adoption of this additional tactic should not be construed to mean that we have "relaxed" or "softened" our previous severely restrictive policy. Such a conception would be without sound foundation, not only because it would be illogical for us to embrace an "easier" policy in the face of a reaffirmation of the seriousness of the security threat with which we are still confronted, but furthermore because any egress by a Soviet or satellite air carrier into non-curtain state territory would be permitted under our new policy only if the recognized disadvantages of such egress were more than offset by advantages to be gained from penetration of satellite territory.

A second point of difference is that the new policy is global and is intended to be applicable to all areas of the world where USSR or satellite air carriers may attempt to operate; its predecessor, while intended to be applicable to USSR and satellite air operations wherever they might be found, did not specifically include the Far Eastern area.

A third point of difference lies in the responsibility given the Department of State for establishing the identity from a political relations standpoint of those states which should be deemed satellites, whereas the previous policy listed certain satellites by name. Additionally, provision is made in the new policy for permitting minimum facilities necessary for the operation of such satellite air services outside satellite territory as may be agreed to and for securing adequate facilities for United States and other non-curtain air carriers in satellite territory. This modification is intended to reflect only realistic recognition of the fact that if the United States or another non-curtain state should determine that reciprocal air services should be exchanged it would, of course, be necessary to grant the satellite air carrier concerned the minimum "turn around" facilities and servicing necessary to insure reciprocal requirements in satellite territory.

Lastly, the new policy provides for a re-oriented approach to the problem of satellite air operations over the occupied zones of Germany. We recognize the fact that we will probably be unable to continue in all cases to use our position in Western Germany as a barrier to Soviet and satellite air operations. For example, if a reciprocal air service between a non-curtain state and a satellite state transitting Western Germany were established, as permitted under our new policy, we would almost certainly be obliged to grant overflight authorizations to that satellite state even though the United States itself

were unable to secure reciprocal benefits in the territory of the satellite requesting such authorizations. This would be particularly true if, following the cooperation between the United States and the non-curtain state concerned which is called for in the new policy, the United States had previously indicated it perceived no objection to such a reciprocal air service. However, if the United States found itself in such a position, i.e. of approving overflights of a satellite air carrier, it would unquestionably endeavor to use such concessions as a bargaining lever to secure air rights in the territory of that satellite in behalf of United States carriers.

Editorial Note

Secretary of State Acheson, British Foreign Secretary Ernest Bevin, and French Foreign Minister Robert Schuman and their advisers held a series of meetings on world problems at London, May 11–13, 1950. In late April and early May, American, British, and French Representatives met in London for a series of preliminary meetings in preparation for the meetings of the Foreign Ministers. At a meeting on April 25 of American and British Representatives (reported upon in telegram Secto 12, April 25, from London), Ambassador at Large Philip Jessup, a principal officer in the American Delegation to these talks, explained American policy toward the Eastern European satellite nations as set forth in document FM D B–22*a*, April 11 (see page 14). At the same bilateral American-British meeting, the British Representative reviewed retaliatory measures taken or contemplated by his government against Eastern European diplomats. At a meeting of American, British, and French Representatives on April 28 (reported upon in telegram Secto 45, April 28, from London), there was a discussion of the possibilities for consultation and common action among the three governments in retaliation against the Eastern European governments. Charles E. Bohlen, Counselor of the Embassy in France and a principal officer in the American Delegation to these preliminary talks, summarized American policy toward Eastern Europe along the lines set forth in document FM D B–22*a*, April 11. At their first formal tripartite session on May 11 (reported upon in telegram Secto 230, May 11, from London), Secretary of State Acheson, Foreign Secretary Bevin, and Foreign Minister Schuman gave general agreement to a tripartite position paper (MIN/TRI/P/4, May 9) which included a section (iii) setting forth an agreed attitude to be adopted toward the Soviet Union and the Eastern European satellites. It was agreed that diplomatic relations with the satellite states should be maintained as long as feasible; that the three governments would keep in constant con-

sultation concerning the general situation and the general attitude to be adopted toward the satellites; that if any of the three governments considered any major form of restriction on satellite or Soviet diplomatic missions, the three governments would consult and if possible arrange for all three to take similar action; and that all three governments would coordinate their propaganda to Eastern Europe.

The text of the messages and documents cited here are printed in volume III, pages 828 ff.

S/P–NSC Files : Lot 61 D 167 : NSC 58 Series

Memorandum by the Acting Secretary of State to the Executive Secretary of the National Security Council (Lay)[1]

TOP SECRET WASHINGTON, May 26, 1950.

Subject: Second Progress Report on the Implementation of NSC 58/2, "United States Policy Toward the Soviet Satellite States in Eastern Europe"[2]

NSC 58/2 was approved as Governmental policy on December 13, 1949. It is requested that this Progress Report dated May 23, 1950, be circulated to the members of the Council for their information.

Since the first Progress Report (dated February 3 [*2*], 1950)[3] there has been no fundamental change in the situation of the satellite states or in the character of the Soviet-satellite relationship. The presence of Soviet armed forces, which are still stationed in Poland, Hungary and Rumania, ostensibly to maintain their lines of communication to occupation zones in Germany and Austria, remains a factor in the system of Soviet control. There has been a continuation of the drastic purges which have liquidated doubtful elements and apparently have established more securely in power the most trusted Moscow agents. The Soviets have been successful in warding off any trend which would start one or more of the satellite countries along the road which Yugoslavia has taken,[4] although it cannot be determined with accuracy whether they have been able to stamp out nationalistic resistance to Soviet domination. Meanwhile there has been no let-up in the campaign to extinguish Western influence in these states. It remains likely that the long-range Soviet objective is their annexation but there is still no basis for judgment on when this development will take place.

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[1] The source text was circulated to the National Security Council as a Council Progress Report by the Acting Secretary of State, dated May 29.

[2] For the paper under reference here, dated December 8, 1949, see *Foreign Relations*, 1949, vol. v, p. 42.

[3] *Ante*, p. 7.

[4] For documentation on the concern of the United States over the conflict between Yugoslavia and the Cominform countries, see pp. 1338 ff.

The basic problem considered in NSC 58/2 remains the same. We are attempting to pursue a double objective: to sustain the hope and morale of the democratic majorities in these countries and at the same time to take full advantage of actual and potential cleavages among the Communists and ruling groups in order to weaken the Soviet grip and make it possible for the latter to be drawn out of the orbit of Soviet domination.

Because of the concerted Soviet-Communist campaign against U.S. missions and officials in the satellite states, which has already obliged the U.S. to suspend diplomatic relations with one of them, Bulgaria, these missions are likely to be of decreasing usefulness in obtaining information and otherwise contributing to the achievement of the objectives of NSC 58/2. This situation compels us to rely more heavily on propaganda and on other means. The absence of diplomatic relations with Bulgaria and Albania,[5] and the particularly exposed position of the latter, may make it possible to take a somewhat more active line in pursuit of our objectives in those two countries than in the other satellites.

The long-term objective of the establishment of free governments in the satellite countries is supported by present propaganda operations, particularly through the Voice of America, which will be supplemented in the near future by radio broadcasts operated by the refugee national committees in the United States. Furthermore, by pursuing the case against Bulgaria, Hungary and Rumania, under the Peace Treaty procedures and in the UN, for their violations of human rights, we are attempting to demonstrate the permanent American interest in the rights of these peoples and to sustain their hopes for eventual liberation.

The Department is currently engaged in negotiations with the British and French with a view to achieving general agreement on Western objectives in the cold war and methods of waging it. In this connection the three powers appear to be in general agreement on the lines of policy toward the satellite states and on coordinating their activities in the field of propaganda, in the UN, and in the use of exiled leaders and refugee groups.

The Department of State has followed the policy of using to full advantage the developments in Yugoslavia as a means of influencing the situation in the satellite countries. We have contributed to the spreading of information on Yugoslavia's successful defiance of the Kremlin and have attempted to widen the split in the world communist movement created by Titoism. Thus far it has not been feasible to establish close cooperation with the Yugoslavs for the purpose of weakening Soviet control of the satellite states. However, certain ini-

[5] For documentation on the attitude of the United States toward the regime in Albania, see pp. 363 ff.

tial approaches are being made in attempts to deal with the problem of refugees who flee from the satellite states into Yugoslavia.

In the field of propaganda the Department has prepared a new comprehensive directive and a series of separate country directives to cover the information program to the satellite states. In accordance with the argumentation of NSC 58/2 the emphasis in these directives is on exposing Soviet exploitation and domination of the satellite nations and on cultivating their spirit of nationalism. Our propaganda is intended to increase confusion, suspicion and fear among the Communist leaders and parties in these countries as well as to fortify the anti-Communist resistance of the masses of the population.

Since the last progress report a working group consisting of representatives of the appropriate intelligence agencies of the Government (Intelligence Division, Department of the Army; Office of Naval Intelligence; Office of Air Intelligence; Central Intelligence Agency; and Office of Intelligence Research, Department of State) has been established to explore the various intelligence aspects of the problem of developing possible economic measures to detach satellite countries from the Soviet Union. This working group has reviewed the several factors involved and each agency represented has submitted to the Department of State all materials and papers which it has developed on these factors. These various materials and findings are being incorporated into a draft paper for submission to the intelligence working group for revisions and additions. When completed it will be submitted to the interdepartmental group which includes, in addition to representatives of the members of the NSC, representatives of the Departments of Treasury and Commerce and the ECA.

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JAMES E. WEBB

340.240/6–1650 : Telegram

The United States Resident Delegation to the Economic Commission for Europe to the Secretary of State [1]

CONFIDENTIAL GENEVA, June 16, 1950—8 p. m.

742. Noce 757. From USResDel/ECE.

1. Fifth ECE session, unexpectedly prolonged by debate on report to ECOSOC, adjourned June 15.[2] Proceedings of last few days being

[1] This telegram was transmitted via the facilities of the Consulate in Geneva.

[2] The Fifth Session of the Economic Commission for Europe was held in Geneva, May 31 to June 15, 1950; for the official report on the session, see Part III of the Annual Report of the Economic Commission for Europe, May 22, 1949–June 15, 1950, U.N. doc. E/1674 (E/ECE/119), June 15, 1950. For a substantial excerpt from the opening statement to the session by the United States Representative to the Commission, W. Averell Harriman, on June 1, 1950, see Raymond Dennet and Robert K. Turner, eds., *Documents on American Foreign Relations*, vol. XII, *January 1–December 31, 1950* (Princeton, New Jersey: Princeton University Press for the World Peace Foundation, 1951), pp. 51–52. For a report on the Commission meetings on June 7 and 8, devoted to a discussion of East-West trade issues, see telegram 709, Noce 748, June 9, from Geneva, p. 143.

reported separately.[3] This cable contains general comments on session as whole.

2. Session had attracted extra advance attention because (*a*) it provided virtually only opportunity since Soviets began walk-outs over China recognition issue for USSR and EE countries confront US and WE in UN forum; (*b*) feeling of some observers that, irrespective of China issue, east-west tension too great for Commission to survive session; (*c*) knowledge that turning points had been reached in certain technical committees and decisions on future lines of work had to be made; (*d*) publicity regarding Myrdal's Moscow trip and so-called "positive" USSR response to Executive Secretary's proposals looking toward increased east-west grain trade.[4]

3. Re 2(*a*) above, Soviet reappearance in UN after absence at last ECOSOC session [5] seems to have had no effect on their behavior in ECE. They behaved in same fashion as at previous ECE sessions, were interested primarily in propaganda, but did not utilize opportunity to air in ECE any issues they had deprived selves of opportunity to discuss at other UN bodies. Re (*b*), policy all members is to keep ECE alive and at no time during session was future of agency itself in real jeopardy. Upshot was that ECE continues with basic structure unchanged.

4. Re 2(*c*), Transport, Coal, Steel, Timber, Electric Power committees, and Housing Subcommittee to continue per recommendations from them to Commission. Working Party of Industry and Materials Committee to develop more practical and concrete program of future work for that body. Generally agreed that trade and Agriculture Committees should be kept in being but not convened unless and until prospect of practical work reasonably bright. Manpower Committee to remain completely dormant. Secretariat proposal for European steel agreement placed in cold storage. Proposal for investigation factors affecting international price formation (including cartels, state monopolies and restrictive practices) approved; proposed studies in field of financial problems severely narrowed in scope prior to ap-

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[3] The basic documentation on the participation of the United States in the work of the Economic Commission for Europe is included in Department of State file 340.240.

[4] Telegram 637, Noce 734, May 20, from Geneva, not printed, reported that Gunner Karl Myrdal, Executive Secretary of the Economic Commission for Europe, visited Moscow, Praha, and Warsaw, May 6–17. Myrdal found the U.S.S.R. interested in expanding East-West trade, persuaded that a relaxation of Western licensing procedures was a prerequisite for trade expansion, ready to negotiate on a practical level for mutually advantageous trade, and inclined to feel that a European grain agreement might be a practical starting point (340.-240/5–2050). Regarding the possibility of such a grain agreement, see the editorial note, p. 233.

[5] The U.N. Economic and Social Council held its 10th Session at Lake Success, New York, February 7–March 6, 1950. For documentation on the absence of Soviet representatives from various United Nations bodies including ECOSOC, see vol. II, pp. 186 ff.

proval. Re 2(*d*), prospects increased east-west grain trade welcomed by all but no indication yet that Soviet reply to Myrdal's *aide-mémoire* represents more than propaganda gesture. EE speakers already seeking build up psychology in which failure of increased trade to materialize can be blamed on US.

5. USSR and its role. Arutiunian [6] (USSR) was not more obstructive than at previous sessions and, in some respects, was milder. His main speeches were weak and on whole limited to old and overworked themes. Most offensive EE representative was Katz-Suchy [7] (Poland) whose consistently obnoxious behavior did more to unite west and embarrass east than any other single factor. Runner-up as most offensive was Shtylla [8] (Albania).

US delegate inclined believe behavior difference of EE representatives due mostly accidents of personality. May, however, be deliberate attempt to make satellites such as Poland, which last year under Lychowski [9] was most moderate of EE group, appear most aggressive both to demonstrate tightening of Communist controls and so that USSR can appear by contrast as more flexible and conciliatory. May also be that USSR now playing peace theme while some satellites have not yet made necessary change in line.

Peace theme was stressed with USSR and other EE representatives emphasizing that differing economic system can co-exist peacefully. Bitterest EE invective lavished on Yugoslavia. All western world's ills, real and fancied, blamed on US policy, particularly Marshall Plan. All of familiar charges against ECA aired: subordination of participating countries independence, enslavement of WE to American monopolists, prevention east-west trade, forcing of American exports at cost of indigenous production with resultant unemployment in Europe. Variations and new shadings included greater emphasis on so-called "dumping" of American supplies; references to US authorization required for counterpart releases as evidence of growing US "interference" in soveregn affairs ERP countries; intense effort exploit unemployment situation, especially in Italy, insistence that real purpose our export licensing policy is to impede development socialism and peoples democracies; pretense that military expenditures of WE are becoming insupportably heavy burden; insistence that

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[6] Amazasp Avakimovich Arutyunyan, Chief of the Economic Affairs Division of the Soviet Foreign Ministry; Head of the Soviet Delegations to the United Nations Economic and Social Council and the Economic Commission for Europe.

[7] Juliusz Katz-Suchy, Polish Permanent Representative to the United Nations; Head of the Polish Delegations to the Economic and Social Council and the Economic Commission for Europe.

[8] Behar Shtylla, Albanian Minister in France; Albanian Representative to the Economic Commission for Europe.

[9] Dr. Tadeusz Lychowski, Director of the Economic Department of the Polish Foreign Ministry; Head of the Polish Delegation to the Economic Commission for Europe in 1949.

enormous progress being made in every field in EE while western world facing "mounting crisis."

EE statements made unusually little reference to developments in Germany. Do not know whether this reflects USSR uncertainty regarding appropriate German policy, or fear of inviting comparisons between conditions in East and West Germany.

6. Yugoslav role. Yugoslavia sent active impressive delegation headed by Vilfan.[10] Did outstanding job of revealing trade discrimination as practiced by EE. In public sessions Yugoslavia maintained independence of any bloc, but was less critical of west. Privately maintained cordial working relationship with US delegation throughout session. For Yugoslavia, which is neither in OEEC nor CMEA, participation in ECE is important.

7. Western Europe. Western European nations exhibited somewhat greater solidarity than at previous sessions but Scandinavians still wobbly. Whereas entire EE bloc promptly rises to defense of any member. WE still relatively unaware that totalitarian attack on any part of the world is threat to all of it. Most WE delegates seem instructed to stay out of trouble, defend own country if attacked in debate, and let other countries do same. Philip [11] (France) was only really effective WE spokesman who understood broader issues. French without Philip were also wobbly. UK delegation was weakest and most provincial ever to attend ECE session although Davies at times spoke well. Among smaller delegations, Netherlands most helpful. WE countries tend to send economists and trade experts rather than speakers effective in political debate. Fail to recognize that presence USSR at main Commission transforms economic discussion into political debate and that adequate counter-propaganda is needed. USSR does not hesitate introduce resolutions and textual changes for political reasons and we should be better prepared to do likewise, if reasonable compromises to be obtained.

8. Miscellaneous. In general, delegates satisfied with outcome of fifth session. Useful technical and research work of ECE will go on. US forced into more active role than we would have wished. Believe during next year we should concentrate on increasing WE confidence, solidarity, and willingness to speak in each other's defense.

Mme. Kock [12] (Sweden) proved best chairman to date; Vice Chairman Tauber [13] (Czechoslovakia) served adequately during his brief

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[10] Joža Vilfan, Yugoslav Deputy Foreign Minister; Head of the Yugoslav Delegation to the Economic Commission for Europe.

[11] André Philip, Deputy in the French National Assembly; Head of the French Delegation to the Economic Commission for Europe.

[12] Mrs. Karin Kock, Director of the Swedish Central Bureau of Statistics; Head of the Swedish Delegation to the Economic Commission for Europe.

[13] Arnost Tauber, Czechoslovak Minister in Switzerland; Head of the Czechoslovak Delegation to the Economic Commission for Europe.

periods in chair. Myrdal and Secretariat were more efficient and did less lobbying that at any previous session.

Sent Department 742, repeated Paris Torep 103. [USResDel/ECE.]

Editorial Note

On July 18 the International Court of Justice at The Hague delivered an advisory opinion in the second phase of a case arising from allegations of human rights violations in Bulgaria, Hungary, and Romania and concerning the interpretation of the Treaties of Peace with those countries. The Court ruled that the Treaties of Peace did not empower the United Nations Secretary-General to appoint an impartial Treaty Commission member where the accused governments had refused to participate by designating their own members for the Treaty Commissions. For the text of the effective portions of the Court's advisory opinion of July 18, see *American Foreign Policy, Basic Documents, 1950–1955*, volume II, pages 2078–2079. Regarding the advisory opinion of the Court rendered on March 30, 1950, in the first phase of this same case, see the editorial note, page 12.

Earlier, on June 29, the Department of State issued to the press a statement reviewing the major steps in the dispute arising out of charges by the United States and other Applied Powers that Bulgaria, Hungary, and Romania were violating the human rights provisions of the Treaties of Peace. The statement to the press included a summary and quotations from the argumentation made before the International Court by Benjamin V. Cohen, who had been appointed by President Truman as the representative of the United States in the case. For the text of the statement, see Department of State *Bulletin*, August 7, 1950, pages 233–235.

In a statement issued to the press on July 21, Secretary of State Acheson commented on the current status of the efforts being made with respect to the abuse of human rights in Bulgaria, Hungary, and Romania. The Secretary briefly reviewed the course of the dispute, took note of advisory opinions of the International Court, indicated the likelihood of further action by the United Nations General Assembly in the case, and pledged that the United States Government would "bring to light and place before the conscience of mankind the facts relating to the denial of human rights by the accused Governments." For the text of the Secretary's statement, see *ibid.*, July 31, 1950, pages 190–191.

500-421—80——4

240.1122/8-350

Memorandum by the Assistant Secretary of State for European Affairs (Perkins) to the Secretary of State

CONFIDENTIAL [WASHINGTON,] July 28, 1950.

Subject: Further action in the Field case [1]

Discussion

Dr. Elsie Field (Mrs. Doob), a sister of Hermann and Noel Field, has pressed the Department for some time for stronger action in the Field case, particularly with respect to Hermann. In the company of Dean Hunsaker, of the College of Architecture, Western Reserve University, she called recently in the Department to urge the adoption of some measure in the nature of sanctions against Czechoslovakia and Poland.[2] Dr. Field has also endeavored to get press representatives interested in the matter and to enlist the assistance of certain members of Congress.

The Department has made repeated representations to the Czechoslovak and Polish Governments and has sought information in other countries without significant positive results. It is, however, not believed in conformity with our national interest to take steps against Czechoslovakia and Poland which might lead to a chain of action and counteraction ending in the curtailment of the activities of our missions in those countries or in their complete elimination in this critical time when we need to maintain observers there. Account has also been taken of the evidence accumulated during the past year to show that Noel was deeply involved in communist activities and that Hermann likewise may have well been implicated. As another step in the effort to do whatever is feasible in the circumstances, a draft text of a message of inquiry to the Soviet Government has been prepared.

Recommendation

It is recommended that you sign the attached draft telegram to Moscow containing the text of the proposed message for transmission to the Soviet Government.[3]

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[1] Regarding the Field case, see instruction 199, May 4, to London, p. 20.

[2] Dr. Field (Doob) and Herbert C. Hunsaker, Dean of Cleveland College, Western Reserve University, called on Assistant Secretary of State Perkins on July 17. Perkins reviewed the difficulties of obtaining information or taking effective action in the case of Hermann Field. Dean Hunsaker and Dr. Field nevertheless insisted that the Department of State take some action against the Czechoslovak and Polish Governments and said they were considering the desirability of publicizing the matter extensively. Perkins indicated that consideration was being given to sending new notes of protest (memorandum of conversation by Harold Vedeler, July 17, 1950: 248.1122/7-1750).

[3] The proposed telegram, signed personally by Secretary of State Acheson, was sent as telegram 99. August 3, to Moscow, *infra*.

240.1122/8-350 : Telegram

The Secretary of State to the Embassy in the Soviet Union [1]

CONFIDENTIAL WASHINGTON, August 3, 1950—6 p. m.

99. Re Dept's cir instr Feb 1 on Field case,[2] we are still unable obtain any satis reply from Czech or Pol Govs concerning three Fields in spite repeated notes and oral representations. Our search for info otherwise has failed produce clues which wld assist establishing their whereabouts. Since Czech and Pol auths may be acting as Moscow desires in dealing with matter, we wish Emb raise question of Fields with FonOff by transmission note along fol lines unless you see objection.

Begin text. I have the honor to request assistance in fol matter which, with passing of time, is causing US Gov deep concern.

Approx one year ago three Amer citizens, Noel and Hermann Field and Noel's wife Herta, disappeared somewhere in Eastern Europe. Whereabouts and welfare of Amer citizens is always matter serious importance to Gov and people US.

Noel Field was last seen at Praha Czecho about May 12, Hermann at Warsaw airport on Aug 22 as he was about board Czech Airlines plane for Praha, and Herta at Praha about Aug 23. In response to representations to Czech Gov with reference all three Fields, Czech MinFonAff has replied Noel presumably left Czecho prior May 15, Herta left Sep 6 and Hermann did not return to Czecho after Aug 15. Pol Gov has provided no definite info concerning disappearance Hermann Field, repeatedly stating an investigation of matter was not yet completed, it was continuing and when it was finished report wld be supplied.

Inquiries have been made in neighboring states in effort ascertain whether Fields might have gone those areas. Amer Leg at Budapest has been assured by Hung FonOff none Fields has been in Hung since date prior their disappearance.[3] No trace Fields has been found in Austria or in Ger Fed Rep.

In view circumstances it is believed desirable, before holding Czech and Pol finally responsible for what has happened these Amer citizens, inquire Sov Gov whether any of Fields entered any area Eastern Europe under Sov jurisdiction and whether Sov Gov possesses any

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[1] The source text was personally signed by Secretary of State Acheson. Regarding the arguments raised in favor of the transmission of this telegram, see the memorandum from Assistant Secretary of State Perkins to Secretary of State Acheson, July 28, *supra*.

[2] The circular instruction under reference here, sent to 9 missions in Europe, transmitted a 17-page memorandum summarizing detailed information on the biographies of Noel Field, Herta Field, and Hermann Field; the circumstances of their disappearances; and the representations made to Czechoslovakia and Poland regarding their welfare and whereabouts (240.1122/2-150).

[3] Telegram 34, January 17, from Budapest, not printed, reported that a Hungarian Foreign Ministry note of December 7, 1949, stated that none of the three Fields had been in Hungary since May 1, 1949. The Legation suggested that entry into Hungary could have been effected surreptitiously with the connivance of the security police and the information withheld from the Foreign Ministry (240.1122/1-1750).

info which might aid in establishing whereabouts these Amer citizens. US Gov wld appreciate whatever assistance Sov Gov might be able render in this connection. *End Text.*[4]

ACHESON

[4] Telegram 303, August 4, from Moscow, not printed, reported that a note had been sent to the Soviet Foreign Ministry in accordance with the instructions contained in the telegram printed here (240.1122/8–450). Telegram 688, September 12, from Moscow, not printed, reported that Soviet Foreign Minister Andrey Yanuaryevich Vyshinsky had replied to the note by stating that his government had no information regarding the whereabouts of the Fields (240.1122/9–1250).

611.4094/7–2850 : Telegram

The Secretary of State to the Embassy in the United Kingdom [1]

SECRET WASHINGTON, August 7, 1950—4 p. m.

672. As indicated Deptel 341, Dept principally interested in achieving mutuality understanding with Brit as to intent NSC 15/3 [2] prior such implementation action as each country may consider essential (Embtel 608, Jul 28 [3]). Believe efforts Emb this regard have been successful although recognize questions interpretation will doubtless arise later regarding specific problem situations. It is not our intent or desire agree precise wording instrs each country will send its missions. In addition to required background info along lines Emb memo May 5,[4] plus Recommendations NSC 15/3, Dept will send only minimal supplementary instrs, each tailor-made to situation vis-à-vis satellites in country or area concerned. Essentiality this flexible approach has been firmly underscored by recent internatl developments.

[1] This telegram, which was drafted in the Office of Transport and Communications Policy and was concurred in by the geographic bureaus of the Department of State and by the Department of Defense, was repeated to the Legation in Switzerland and to Rapallo, Italy, where J. Paul Barringer, Director of the Office of Transport and Communications Policy, was serving as Chairman of the United States Delegation to the International High Frequency Broadcast Conference.

[2] January 5, p. 1.

[3] Following several months of intensive discussions between British and American officials in London regarding an agreed American-British satellite civil aviation policy, telegram 60, July 5, from London, not printed, reported that the Foreign Office had that day given the Embassy a copy of the draft British instructions on satellite civil aviation policy. The Embassy expressed the belief that the draft instruction represented agreement between the two governments on a revised joint course (611.4094/7–550). Telegram 341, July 19, to London, not printed, replied that the Department of State believed that the objectives of prior coordination with the United Kingdom were in general adequately achieved by the draft British instructions (611.4094/7–1750). Telegram 608, July 28, from London, not printed, reported that the British Foreign Office had approved the draft British instructions on satellite civil aviation policy following certain changes in the original text (611.4094/7–2850). Telegram 2347, October 24, from London, not printed, reported that the Foreign Office had delayed final approval of the instructions on satellite civil aviation policy in the hopes of obtaining a concurrent decision specifically listing Communist China as a satellite for the purposes of the joint course of action (611.4094/10–2450).

[4] *Ante*, p. 26.

Therefore, Depts initial instrs to missions in various areas world will conform fol gen pattern:

1. NEA and FE: At present time, as we believe no recognizable balance advantage wld now accrue from exchange air services with satellite states these areas, we will strongly urge maintenance present policy containment.
2. ARA: No special instrs required this area, NSC 15/3 wld be applied.
3. EUR: Dept will adhere to NSC 15/3 and will instruct along lines draft Brit instr.

Immaterial whether these specialized instrs considered "basis policy" or "implementation" questions but important, especially re: NEA and FE areas, that Brit fully understand our policy regarding application of 15/3 to air operations in various areas world.

Depts comments on specific points Embtel 608 as reflected above are limited to fol:

Point 5—Do not consider clearance with Brit any statement we may send to missions desirable or essential.

Point 6—Our gen attitude toward Israel and Southeast Asian area is same as for remainder NEA and FE areas, i.e., containment.

ACHESON

S/P–NSC Files: Lot 61 D 167: NSC 78 Series

Report Prepared in the White House Office [1]

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[1] Papers in the Department of State files indicate that this Report was prepared by Rear Adm. Robert L. Dennison, Naval Aide to President Truman. The Report was circulated to the National Security Council as document NSC 78, August 7, 1950, entitled "A Report to the National Security Council by the Executive Secretary on Port Security", under cover of a note of August 7, not printed, by Executive Secretary Lay which explained that President Truman "has referred the enclosed report on the subject, prepared by members of his staff, to the National Security Council, the Secretary of the Treasury and the Attorney General for consideration at the next regularly scheduled Council meeting on Thursday, August 10."

According to the National Security Council Record of Action 336*b*, not printed, the Council at its 64th Meeting on August 10 agreed in principle that the port security program proposed in NSC 78 should be put into effect, subject to the working out of details between the departments and agencies concerned (S/S–NSC (Miscellaneous) Files: Lot 66 D 95: NSC Records of Action). On October 18, 1950, President Truman issued Executive Order 10173, "Regulations Relating to the Safeguarding of Vessels, Harbors, and Waterfront Facilities of the United States" (15 F.R. 7005), which instituted a program of port security, closely following the recommendations of this paper. Documentation on the interdepartmental exchanges leading to the issuance of Executive Order 10173 is included in Department of State file 911.541. Lot 66 D 95 contains administrative and miscellaneous National Security Council documentation, including NSC Records of Action, as maintained by the Executive Secretariat of the Department of State for the years 1947–1963.

SECRET [WASHINGTON, undated.]

PORT SECURITY

The Congress has enacted S. 3859 [2] which would give the President broad powers to provide for port security in the United States and to govern the movement of foreign flag vessels in the territorial waters of the United States in whatever manner he may find necessary to prevent damage or injury to the harbors, territorial waters, and installations of the United States. This measure contains broader authorities than those of the Espionage Act, and the measure has the added advantage of permitting the President to take action without declaration of a national emergency.

The Secretary of Defense has written to the Secretary of the Treasury suggesting certain steps which he believes would, if undertaken promptly by the Coast Guard, provide the maximum degree of security against sabotage of our ports and attack against the United States with unconventional weapons, such as the atomic bomb, through the device of bringing such weapons into United States waters by vessel and thereafter setting off an explosion.

In response to this letter, and in anticipation of Presidential approval of S. 3859, the Coast Guard prepared, under date of July 31, 1950, a memorandum on possible port security operations.* This memorandum was transmitted to the President by the Secretary of the Treasury on August 1.

In briefest compass, the Coast Guard sets forth ten operations as follows:

AA Control entry of vessels in territorial waters and ports.
AB Seal radio equipment.
BA Control anchorage and movement of vessels.
BB Supervise and control loading of dangerous cargoes.
BC Provide safety regulations and establish patrols for port and vessel protection.
BD Provide identification of seamen and others.
BE Exclude subversive persons from vessels and waterfront facilities.
BF Prevent subversives from sailing as members of crews.
BG Prevent subversives from obtaining licenses and other merchant marine documents.
BH Exchange and utilize security intelligence.

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[2] The reference here is to a bill, introduced by Senator Warren G. Magnuson of Washington, and subsequently enacted into law as Public Law 679, approved August 9, 1950, entitled "An Act to Authorize the President to control the anchorage and movement of foreign-flag vessels in waters of the United States when the national security of the United States is endangered, and for other purposes" (64 Stat. 427).

*Appendix A. [Footnote in the source text. The 23-page memorandum under reference here is not printed.]

If a full scale implementation under these ten operations should be ordered, the program would be very costly and would require a large expansion of the Coast Guard which would probably exceed 2,800 officers and 25,000 enlisted men, and a very large number of small vessels, patrol craft and vehicles. Total cost might be in excess of $250 million in the first year.

Such a program would not, of course, provide complete defense against unconventional attack through the detonation of atomic weapons deliberately concealed in a foreign flag vessel. In fact, there is no complete defense against a calculated plan for atomic destruction of an American harbor short of a complete embargo on almost all foreign flag shipping. This step probably would not be practicable, but its implications are being studied by the Department of State.

The chief presumed danger lies in the uncontrolled use of our ports by Soviet and Soviet satellite vessels. The probability of unconventional attack through the use of such a vessel must be carefully calculated from a strategic point of view. The costs of protection against such an attack must also be compared with the costs of embargo, measured both in terms of dollars and in terms of political and psychological impact on our foreign relations.

It is pertinent to note that between July 1949 and April 1950, twenty-one Soviet and Soviet satellite vessels made fifty-nine calls at American ports. Two Polish ships made fourteen calls and delivered 217,000 tons of cargo. Nine Finnish ships made twenty-two calls and delivered 78.8 thousand tons of cargo. Seven Yugoslav ships made eighteen calls and delivered 113.5 thousand tons of cargo. Three Soviet vessels made five calls and delivered 23.6 thousand tons of cargo. None of this cargo is believed to have been of high strategic importance with the exception of small shipments of manganese received from the USSR. Of some 40,000 long tons agreed to for import over a year's period, only 2,220 have been delivered, although it is believed that 8,429 tons are afloat.

Unless a program of port control at least as extensive as that prevailing in World War II at all major United States ports were to be instituted, the only control measure which would stand a substantial chance of success would be the establishment of specific ports of entry on the east and west coasts for the use of Soviet and Soviet satellite shipping. This device appears to be the most practicable under present circumstances. Even so, it would be a very drastic step, since it would disturb normal trade arrangements and would result in extra cost to foreign shippers and, presumably, to American buyers. At the present time we would recommend the establishment of only two such control ports—Bellingham, Washington, on the west coast, and Portland, Maine, on the east coast. It is obvious that if New York or Philadelphia (both manganese ports) is the normal port of call for a

Soviet vessel, the requirement of diversion to Portland would increase shipping costs.

Staff recommend that the control ports be established and that the Secretary of the Treasury be instructed, by letter, to institute all steps necessary to obtain maximum security, both against unconventional attack and against accident or sabotage at the control ports and at the other chief United States ports as follows:

New York
Baltimore–Hampton Roads
New Orleans
San Francisco–Oakland
Boston
Philadelphia
Seattle
Los Angeles–San Pedro
Galveston–Houston
Portland, Oregon
The inland port and locks
at Sault Ste. Marie
Principal Territorial ports

Similar protective steps should be taken by the Army for the Panama Canal and the Panama Harbor. Protection could be extended to other port areas at a future date if deemed necessary.

It is also recommended that the Secretary of State be instructed, by letter, after consultation with the Secretary of the Treasury and at the appropriate time, to notify foreign governments affected of the decision of the United States Government with respect to this matter.

Regulations of the Coast Guard to carry out Presidential instructions would be based upon World War II regulations and can be put in final form on short notice. It is recommended that these regulations be inclusive, and that the degree to which they are to be put into effect be indicated in letters of instruction from the President from time to time.

At present it is recommended that the following programs and limitations be instituted as soon as necessary arrangements can be made, funds obtained, and personnel recruited:

1. For Soviet and Soviet satellite vessels—

(*a*) Denial of use of U.S. ports except controlled ports.
(*b*) Control of anchorage and movement of vessels while in port.
(*c*) Supervision of loading and unloading.
(*d*) Sealing of radios at the discretion of the boarding officer, and in any case in which the United States takes control of the vessel.
(*e*) Restriction of crews while in port.

2. For all foreign flag vessels proceeding to United States ports from Soviet or Soviet controlled ports—

(*a*) Interception and inspection before entering a United States port.
(*b*) Control of anchorage and movement of vessels while in port.
(*c*) Supervision of loading and unloading when deemed necessary.
(*d*) Restriction of liberty of crews, if deemed necessary. (One of the difficult problems in this category will be the control of ships of Panamanian registry and tramp steamers not on regular schedules. Care must be taken not to disturb trade or treaty relations or to cause affront to free nations. Some broad exceptions probably can be made, as, for example, British Commonwealth shipping. Other exceptions may be feasible, as, for example, Finnish shipping. The Finnish problem is being studied by the Department of State.[3])

3. For protection of United States ports listed above against sabotage and accident—

(*a*) Supervise and control the loading of dangerous cargoes on all merchant vessels, foreign and domestic.
(*b*) Obtain greater cooperation from, and enforcement by, local authorities of non-Federal port safety regulations, including the establishment of periodic inspection service to report upon effectiveness of local safety regulations.
(*c*) Reinstitute a complete system of identification of all seamen, water front workers, and others requiring access to vessels and water front facilities, including name and fingerprint checks.
(*d*) Exclusion of known subversive persons from vessels and water front areas and facilities.
(*e*) Gradual extension of west coast agreement to prevent subversives from sailing as crew members, with Federal intervention and assumption of responsibility for the program whenever deemed necessary.
(*f*) Prevention of subversives from obtaining original licenses and other merchant marine documents.
(*g*) Authorization of Coast Guard to obtain, utilize, and exchange security intelligence necessary for port protection.

Budget estimates are not yet available, but rough estimates of cost indicate that the identification and counter subversive activities might require eight and one-half million dollars for the first year. Subsequent costs can probably be reduced somewhat. Establishment of maximum security in the control ports will probably cost in the neighborhood of fifteen million dollars for the first year, assuming that the Navy can make available certain needed tugs, craft, and other equipment. The extent of operations for port security in the other ports will largely control the expenditure required. It is believed that a minimum program, assuming vessels and other needed boats and

[3] For the attitude of the Department of State regarding the treatment of Finnish vessels under United States port control measures and the National Security Council decision on the subject, see the memorandum from Fisher to the Secretary of State, August 22, p. 50.

equipment can largely be supplied by the Navy, might be possible for approximately twenty-five million dollars. This figure would have to be increased materially if it were decided to reinstitute an extensive system of waterfront patrols, sentries, and clearance in and out of waterfront workers with restriction of access only to persons properly identified. A full scale program of this kind, including Federal enforcement of safety regulations of the kind carried on in World War II, would require expenditures of well over one hundred million dollars a year.

The preliminary estimates of the Coast Guard will be refined as soon as your wishes are made known. If the President does not wish to institute so expensive a program as that here suggested, basic assumptions and other factors can be reworked promptly. The recommendations herein contained are consistent with the steps suggested by the Secretary of Defense and now under further study by the Joint Chiefs of Staff, and are believed to be in consonance with the thinking of the Interdepartmental Committee on Internal Security, several working subcommittees of which have turned their attention to port security problems.

Suggested first letters of instructions to the Secretary of the Treasury, the Secretary of State, and the Secretary of the Army are attached.[4]

[4] The draft letters under reference here are not printed.

S/P–NSC Files : Lot 61 D 167 : NSC 78 Series

Memorandum by the Executive Secretary of the Office of the Secretary of Defense (Allen) to the Executive Secretary of the National Security Council (Lay)[1]

TOP SECRET

WASHINGTON, 9 August 1950.

Subject: United States Waterway and Port Control of Shipping from Soviet and Satellite Ports. Reference NSC 78, Port Security.

The Joint Chiefs of Staff have recently considered, from the military point of view, the problem of adequate control of Soviet and satellite shipping and all other flag shipping arriving from Soviet and satellite ports insofar as it pertains to United States ports and waterways.

[1] This memorandum was circulated to the National Security Council under cover of a memorandum of August 10 by the Council Executive Secretary Lay, not printed, which explained that, at the request of Secretary of Defense Johnson, it was circulated for consideration at the National Security Council meeting on August 10 in conjunction with NSC 78 on "Port Security". The Report circulated as NSC 78 is printed *supra;* regarding the Council meeting of August 10, see footnote 1 thereto.

The enclosed study,[2] prepared by the Joint Chiefs of Staff, concludes that there is an inherent military danger in the unrestricted use of United States ports by Soviet and satellite ships. This danger also exists with respect to other shipping which may enter our ports and waterways from the Soviet or satellite countries and to any other ship carrying Soviet or satellite cargo, regardless of registry.

The comparative freedom of action makes it possible for the USSR to send ships into United States ports carrying atomic weapons. Detonations of such atomic weapons strategically located will have disastrous physical effects on the ports and harbors, including radioactive contamination. The impossibility of detection of such weapons without an inspection of the ship in such detail as to be utterly impracticable makes necessary the exclusion of these ships from our important ports.

Soviet and satellite shipping is a recognized method for introducing espionage and sabotage agents and their materials and documents clandestinely into the United States and, likewise, for removing them from the United States. Allowing this shipping unrestricted use of our ports affords the Soviets freedom of action in introducing agents directly into the areas selected for their covert activities.

Most ports and their adjacent areas contain important industrial plants and facilities which are susceptible to sabotage.

It would also be possible to send cargo which would be harmful to the United States, such as products of biological warfare, to our ports by means of transshipment through another country.

These considerations are possibilities, among others, which could be, or are being, exploited by the USSR. Therefore, it is desirable to institute strict security measures to prevent damage to our port installations by covert means.

The best method of avoiding such covert action, short of absolute exclusion of such ships from United States waters, is to limit the ports they may use. If these ships are restricted to one or two ports, the military risk will be greatly reduced by the use of appropriate security controls.

Extension of this restraint to all vessels, regardless of registry, arriving in United States waters from Soviet or satellite ports, will focalize the possible danger of damage to United States ports. This restraint should be applied to all shipping which has been outloaded or sailed from any Soviet or satellite port within a specified period preceding its arrival date in the United States and to all ships carrying Soviet or satellite cargo. Such a step is desirable for the following reasons:

a. To reduce sabotage risks.
b. To employ ports of little strategic value.

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[2] The 16-page study under reference here is not printed.

c. To reduce the time this shipping is in United States or coastal waters.

d. To minimize the requirements for patrol surveillance.

Based upon their study, the Joint Chiefs of Staff consider that the selection of Portland, Maine, on the east coast, and Bellingham, Washington, on the west coast, as the ports to which all Soviet and satellite shipping and all other flag shipping, regardless of registry, arriving from Soviet or satellite ports, should be routed, would adequately meet the military considerations of the problem insofar as the continental United States is concerned.

Further, because of the strategic importance of the Panama Canal, the most rigid inspection and other security procedures should be taken with regard to all Soviet and satellite shipping and all other flag shipping, regardless of registry, from Soviet or satellite ports, making use of the Panama Canal and its terminal ports. Absolute denial to such shipping of Panama Canal facilities is considered infeasible at this time due to the international repercussions and possible Soviet retaliation that such action might provoke. In view of this and the fact that complete immunity cannot be assured by ship inspections, a calculated risk must be accepted.

The Secretary of Defense requests that the views and recommendations of the Joint Chiefs of Staff presented herein be considered by the National Security Council in conjunction with NSC 78, Subject, Port Security, as a matter of priority.

LEVEN C. ALLEN
Major General, USA

S/P–NSC Files : Lot 61 D 167 : NSC 78 Series

Memorandum by the Joint Chiefs of Staff to the Secretary of Defense (Johnson) [1]

TOP SECRET

WASHINGTON, 10 August 1950.

Subject: United States Waterway and Port Control of Shipping from Soviet and Satellite Ports.

1. On 8 August 1950, as a matter of priority, you requested the views and comments of the Joint Chiefs of Staff regarding NSC–78, a report to the National Security Council by the Executive Secretary on port security.

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[1] This memorandum was circulated to the National Security Council under cover of a memorandum of August 11 by Council Executive Secretary Lay, not printed, which explained that this memorandum was read by Secretary of Defense Johnson at the Council meeting of August 10 in connection with the consideration of NSC 78. The Report circulated as NSC 78 is printed on p. 41; regarding the Council meeting of August 10, see footnote 1 thereto.

2. On 9 August 1950 the Joint Chiefs of Staff forwarded to you a memorandum [2] and an enclosed study concerning the same subject. This was prepared prior to receipt of your memorandum of 8 August 1950.

3. The following is in answer to your memorandum of 8 August 1950 [3] and sets forth the points of difference between NSC–78 and the Joint Chiefs memorandum of 9 August 1950 and makes recommendations regarding those differences.

4. The papers are in basic agreement; both restrict Soviet and Satellite shipping to one port on each coast, i.e., Portland, Maine, Bellingham, Washington.

5. NSC–78 does not restrict ships of registry other than Soviet and Satellite which may arrive in United States ports from Soviet or Satellite ports. It recommends that such shipping be subjected to certain security measures before being allowed entry to our port areas. Although the Joint Chiefs of Staff recommended that all ships, regardless of registry, arriving from Soviet or Satellite ports should be restricted to the ports mentioned above, they now consider that the NSC–78 view is acceptable for the present.

6. The Joint Chiefs of Staff included Finland in the list of countries considered under Soviet control in a questionable status. NSC–78 does not list Finland, but states that it is being studied by the Department of State. The USSR is capable of subjecting Finnish ships to its control for whatever purpose it desires. Therefore, the Joint Chiefs of Staff recommend that these ships be restricted as are actual Satellite ships or at least be rigorously inspected before being allowed access to our ports or waterways.

7. Other countries considered under Soviet control in the study forwarded to you with memorandum dated 9 August 1950, but not listed in NSC–78, are Eastern Germany, East Austria, Outer Mongolia, and North Korea. The Joint Chiefs of Staff believe that these countries should be so considered.

8. Both papers agree that Soviet and Satellite shipping and ships arriving from Soviet and Satellite ports should be subjected to security measures before being allowed access to the Panama Canal. NSC–78 further states that the Secretary of the Army should make recommendations concerning actual denial of the use of the Canal to such shipping. The Joint Chiefs of Staff concur.

For the Joint Chiefs of Staff:
OMAR N. BRADLEY
Chairman
Joint Chiefs of Staff

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[2] *Supra.*
[3] Not printed.

S/S–NSC Files : Lot 63 D 351 : NSC 78 Series [1]

Memorandum by the Legal Adviser (Fisher) to the Secretary of State [2]

SECRET [WASHINGTON,] August 22, 1950.

Subject: Treatment of Finnish Ships under United States Port Control Measures.

Discussion

NSC 78 [3] does not list Finland as a Soviet satellite for purposes of the new Port Control measure. However, a JCS memorandum of August 10 on this subject [4] recommends that Finnish ships "be restricted as are actual satellite ships or at least be rigorously inspected before being allowed access to our ports". The reason advanced is that "the USSR is capable of subjecting Finnish ships to its control for whatever purpose it desires". Although the situation is not clear, it is understood that in the light of this the President has agreed that all Finnish ships shall be inspected.

As indicated in the attached memorandum to the NSC, the Department does not agree that the USSR is capable of subjecting Finnish ships to its control short of installing a Communist government by *coup* or using overt military measures. Our Legation in Helsinki has analyzed in detail in the attached telegrams [5] the possibilities for the USSR covertly to utilize Finnish ships for unconventional attack against the United States and has concluded, with the concurrence

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[1] Lot 63 D 351 is a serial master file of the National Security Council documents and correspondence and related Department of State memoranda for the years 1947–1961, as maintained by the Executive Secretariat of the Department of State.

[2] This memorandum was drafted by Charles E. Rogers of the Office of British Commonwealth and Northern European Affairs and was concurred in by James C. H. Bonbright, Acting Deputy Assistant Secretary of State for European Affairs. The ribbon-copy source text was attached to a memorandum of August 23 from Ambassador at Large Philip C. Jessup to the Secretary of State, not printed, which suggested that the Secretary read this memorandum and the attached Department of State paper in advance of the National Security Council meeting of August 24. Jessup indicated that he had in mind discussing the question of the treatment of Finnish ships under proposed American port control measures at the Secretary's briefing meeting prior to the Council meeting. There is no evidence that the Secretary actually saw this memorandum, but it appears clear that it was used in the aforementioned briefing. Regarding the NSC meeting of August 24, see footnote 8 below.

[3] Reference to the Report prepared in the White House Office, p. 41.

[4] *Supra.*

[5] Under reference here are telegrams 69, August 9; 70, August 10; 83, August 18; 86, August 19; and 89, August 22, all from Helsinki, none printed (960e.536/8–950, 960e.536/8–1050, 960e.536/8–1850, 960e.536/8–1950, and 960e.536/8–2250). Copies of these telegrams were subsequently circulated to the National Security Council at the request of the Department of State under cover of a memorandum of August 23 from Council Executive Secretary Lay, not printed (S/P–NSC Files : Lot 61 D 167 : NSC 78 Series).

of the Service Attachés, that there is no greater possibility in the case of Finnish ships than of those of Scandinavian and West European countries. The Legation has urged the danger in terms of undermining the Finnish position of appearing to classify Finland as a satellite state. Such action on our part seems to be contrary to the policy of support we have, with successful results, followed toward Finland since the war. Automatic inspection of Finnish ships would, in view of the contemplated procedures, result in diversion of ships from harbors unsuited for inspection, enforced lighterage, and other measures causing great commercial hardship to the Finns and having the political implications mentioned above.

The Finnish Government has already protested both here and in Helsinki against the action of the Philadelphia Customs earlier this month in holding up two Finnish ships fifty miles from port.[6] The Finns pointed out the disruptive effects on their trade and reserved their rights under our Treaty of Friendship, Commerce and Consular Rights. The two ships were later released and in view of NSC 78 we have in confidence indicated to the Finns that our new Port Control measures would not discriminate against Finnish ships.

We are presently examining with our Legation in Helsinki the possibilities of obtaining with the help of the Finnish Government advance information concerning future Finnish ship sailings to the United States which would increase the effectiveness of our security measures.[7]

Recommendation

It is recommended that you present the attached memorandum on this subject at the National Security Council meeting on Thursday,

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[6] Finnish Chargé Otso Wartiovaara lodged his government's protest regarding the detention of Finnish ships in meetings with Department of State officers on August 8 and 9 and with Under Secretary of State James C. Webb on August 10. Memoranda of these conversations are included in file 960e.536. Telegram 69, August 9, from Helsinki (see footnote 5, above), reported that Finnish Foreign Minister Ake Henrik Gartz had expressed to Chargé Warren M. Chase in Helsinki the Finnish Government's concern over the examination of Finnish ships in American ports for the presence of atomic bombs, and he requested the removal or at least the alleviation of the new procedure. Foreign Minister Gartz described Finland's disappointment at being treated in the matter as a satellite of the Soviet Union, and he also expressed the belief that the new procedure would create difficulties for Finnish exports. (960e.536/8–950)

[7] Telegram 63, August 21, to Helsinki, not printed, indicated that the contemplated preclearance procedures involved informal arrangements with the Finnish Government allowing for the obtaining of information on ships departing for the United States (960e.536/8–1950). Telegram 93, August 23, from Helsinki, not printed, reported that a procedure along the lines outlined above could probably be arranged with the Finnish Government (960e.536/8–2350). At the request of the Department of State, copies of these two telegrams were circulated to the National Security Council under cover of a memorandum of August 24 by the Council Executive Secretary Lay, not printed (S/P–NSC Files: Lot 61 D 167: NSC 78 Series).

August 24 as a matter of urgency with a view to having Finnish ships treated on a non-discriminatory basis as among non-satellite countries.[8]

[Attachment]

Paper Prepared in the Department of State [9]

SECRET [WASHINGTON,] August 22, 1950.

Problem

To clarify the treatment of Finland in proposed measures of United States port control.

Analysis

1. It has been suggested that Finnish ships be restricted in the same manner as satellite ships or at least be rigorously inspected before being allowed access to our ports with the result that Finnish ships would, in fact, be singled out. The reason given for this recommendation has been that the USSR is capable of subjecting Finnish ships to its control for whatever purpose it desires.

2. In view of the difficulties of a foolproof inspection and the proposed procedures to carry out this inspection, automatic inspection of Finnish boats whether or not they have docked at satellite ports may involve their exclusion from harbors that do not have an area suited for inspection and in some instances the use of lighters for unloading in other harbors. This would be in violation of our Treaty of Friendship, Commerce and Consular Rights with Finland [10] and would cause considerable hardship to Finland both politically and commercially.

3. There is no evidence that there exists any control over Finnish ships by the USSR or that there exists such capability by the USSR short of overt measures. While Finland is prevented from aligning itself with the West due to Treaty obligations and proximity to the USSR, Finland is an independent country with a freely elected parliamentary government friendly to the free world. There are no Com-

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[8] At its 66th Meeting on August 24, in which President Truman participated, the National Security Council noted the President's decision, pursuant to the consideration of the problem of port security at the Council's 64th Meeting on August 10 (see footnote 1, p. 41), that arrangements should be made with the Finnish Government for preclearance control of Finnish ships destined for U.S. ports, but that otherwise Finnish ships should be treated as were the ships of all other nations except the U.S.S.R. and the Eastern European satellite states (National Security Council Action 349: S/S–NSC (Miscellaneous) Files: Lot 66 D 95: NSC Records of Action).

[9] Another copy of this memorandum included in the S/P–NSC Files: Lot 61 D 167: NSC 78 Series, indicated that it was drafted by Charles E. Rogers of the Office of British Commonwealth and Northern European Affairs.

[10] Reference is to the United States-Finnish Treaty of Friendship, Commerce, and Consular Rights, signed February 13, 1934 (49 Stat. 2659; TS 868; 152 UNTS 45).

munists in the cabinet and civil rights are safeguarded. The USSR exercises no control or surveillance over internal Finnish affairs and could not exercise control over Finnish shipping unless by internal *coup* installing a Communist government or by direct military or naval action. A *coup* is regarded as very unlikely, and Soviet military-naval action would probably occur only as a prelude to general war.

4. This Government since the war has successfully endeavored to support Finnish independence and forestall encroachments by the Soviet Union. To that end we have assisted substantially in Finnish economic recovery. Finland has maintained a very stiff front toward the USSR as is indicated by the limited scope of the Soviet-Finnish Treaty of Mutual Aid [11] which is an example of successful resistance to Soviet demands by Finland. The treatment of Finland in this case as if it were a satellite would tend to undermine the strong Finnish will to resist and would have a very damaging effect on Finnish-American relations, as well as on our relations with other Scandinavian countries.

5. While the top ranks of the Finnish Seamen's Union are heavily penetrated by Communists, this is balanced by several other factors, including the facts that the Union leader is strongly independent and the rank and file in overseas shipping are believed mostly non-Communist. The Social Democrats are stronger among the dock-workers and there are no Communists among the masters or other ships officers on Finnish ships. An official of the dominant and tightly organized Social Democratic Party has told the American Legation in Helsinki that his organization can prevent sabotage materials from being smuggled aboard Finnish ships.[12] The Finnish Foreign Minister has offered to consider proposing to his Government that Finnish ships en route to the United States not be permitted to call at intervening ports. It is apparent that there is not any greater possibility for Soviet utilization of Finnish ships covertly for purposes harmful to the United States than for Soviet utilization of other Scandinavian or West European ships.

Conclusions

6. Finnish ships are not above suspicion. Special suspicion, however, does not attach to them by mere reason of their being Finnish or coming from Finnish ports.

7. Directives issued to implement Public Law 679 should refrain from making mandatory special treatment of Finnish ships; and these directives should call for non-discriminatory treatment of Finnish

[11] The reference here is to the Treaty of Friendship, Cooperation, and Mutual Assistance between the U.S.S.R. and Finland, signed April 30, 1948.

[12] The incident referred to here was reported upon in telegram 70, August 10, from Helsinki, not printed (see footnote 5, above).

ships, on a basis similar to that applied to other non-satellite flag ships proceeding from European ports.

8. The Department of State, through the American Legation, Helsinki, should devise, with the help of the Finnish Government and other appropriate groups in Finland, informal arrangements providing maximum possible security checks in Finnish ports.

320/8-2850 : Telegram

The Secretary of State to the Embassy in the United Kingdom [1]

SECRET WASHINGTON, August 28, 1950—7 p. m.

1070. Subject is GA agenda item on observance of HR in Bulg, Hung, Rum.[2] In circam Aug 4, 1950, 12:30 p m pp 2–4 Dept set forth three possible alternative courses of actions which GA cld take in this case next fall.[3]

Dept has recd and considered views of FonOff set forth in Embtel 1217.[4] Request you take up question with FonOff again along fol lines, asking FonOff to consider UK position taking into account our views set forth below.

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[1] This telegram, which was drafted in the Office of United Nations Political and Security Affairs and was concurred in by the Bureau of United Nations Affairs, the Bureau of European Affairs, the Office of the Legal Adviser, and the Office of Eastern European Affairs, was repeated for information to the United States Delegation to the United Nations at New York, and to the Embassies in Australia, New Zealand, and Canada.

[2] The observance in Bulgaria, Hungary, and Romania of human rights and fundamental freedoms was agenda item 25 of the Fifth Session of the United Nations General Assembly, held at Lake Success, New York, September 19–December 15, 1950.

[3] The three possible alternative courses of action set forth in the circular airgram under reference, sent to 56 missions around the world, not printed, were as follows:

"(*a*) Adoption of a resolution which would condemn the satellite states for failing to cooperate with the Assembly, for ignoring the opinion of the International Court and for violating their obligations to utilize peace treaty proceedings for the settlement of disputes. The resolution might also indicate that this attitude of non-cooperation casts serious doubt on the denial by the states of the charges made against them. Further the resolution might call upon interested Members, particularly parties to the peace treaties, to submit to the Secretary-General and to all UN Members evidence to support the charges; this material would then become available to world public opinion.

"(*b*) Appointment of a GA Committee (as proposed by Australia at the last GA) which would sit in New York and examine the substance of the charges on the basis of evidence to be submitted by Members and which would report to the sixth Assembly session at which time the GA could record its opinion on the basis of the Committee's report.

"(*c*) Provision for inquiry into the substance of the charges by an expert commission composed of eminent jurists or other qualified individuals who would (as in (*b*) above) report to the sixth Assembly." (320/8–450)

[4] Not printed. It reported that the British Foreign Office concurred fully with the first two sentences of the American proposed alternative (*a*) and believed that a draft resolution and debate thereon should be confined to those points. The Foreign Office reasoned that there was no hope of changing the satellite regimes by such an action, the primary objective of which was a maximum propaganda effect. (320/8–2550)

Our thinking now progressed to point where we prefer appt by GA of comite of jurists to sit at hdqrs in NY and possibly Geneva to study evidence on charges against three satellite countries and report findings of fact and conclusions to sixth GA.

Our reasoning is as follows:

1. US and other Allied Govts made charges of serious nature against three satellite govts. We are committed to substantiate these charges before world public opinion despite fact that satellites themselves frustrated peace treaty proceedings. Unless GA conducts impartial inquiry and passes upon facts there will never be clear determination of issues which satellites will claim remain open. In past we opposed Australian proposal for GA Comite of Inquiry primarily on ground parties shld first resort to procedures agreed in peace treaties. Since treaty procedure in this instance now exhausted it is procedure and sound practice for GA to examine charges, expose facts to world opinion and record its opinion on facts.

2. GA inquiry will provide further proof of continuing and sincere interest of West in fate of captive people of Eastern Europe.

3. US missions in satellite countries report satellite govts agitated by gradual development of case against them which they can hamper but not block entirely and which for them has element of disturbing inexorability.

4. Forceful and systematic presentation of facts to comite in course of next year culminating in GA pronouncement thereon in sixth session shld have important value for Western propaganda agencies. As indicated in Airgram Dept has effective material showing operation of Communist pattern of seizing power by suppressing opposition.

On other hand, we fully aware of cons militating against GA inquiry:

(1) Proposed inquiry wld entail across-the-board investigation into operation of political system of three countries including their judicial, legislative, and administrative machinery. Although we do not have slightest doubt as to GA jurisdiction to conduct such inquiry particularly in light of peace treaty HR obligations there may be some question whether sufficiently large majority of Members will be willing support such inquiry. Propaganda value of inquiry wld obviously be impaired if inquiry not supported by large majority.

(2) If inquiry instituted with emphasis on peace treaty HR obligations it might be taken as precedent for GA inquiry into violations of HR Covenant if and when such Covenant comes into effect. Our view is Covenant shld be enforced through Covenant procedures and not by GA. However, unlike peace treaty arbitration Covenant procedure in present form cannot be frustrated by party charged with violation.

(3) If inquiry instituted with emphasis on Charter provisions this precedent might stimulate proposals for GA inquiries into state of HR in many other countries which may not be desirable in present state of development of GA. However, we believe GA capable exercise reasonable discretion in this as in other fields.

(4) Western support of inquiry in this case might raise question of consistency of Western positions in satellite case and in cases involving our friends as in GA agenda item on Treatment of Indians in South

Africa. We believe two cases may be distinguished in next session since in Indian case parties made some effort respond to GA recommendation, while in satellite case GA faced with definite defiance. Moreover and of more importance, in satellite case there are HR obligations in peace treaties.

(5) Further question is whether desired results may not be achieved without inquiry by condemnatory res in fifth session along lines of alternative (*a*) in airgram and provision for circulation to Members of evidence in support of charges. We feel *ex parte* presentation by interested parties not as effective as inquiry by unbiased UN body.

As indicated above, we favor establishment of GA commis. We hope to secure broad support for proposal. If wide consultations disclose insufficient interest and support, we wld of course have to reconsider our position.

Throughout long history of this matter we proceeded hand in hand with UK and Dominions signatories of peace treaties. We feel we shld make available to FonOff our present thinking with view obtain agreed UK–US position. UK as in past will no doubt wish consult Australia, Canada, New Zealand. You are requested to present to FonOff our view—reached after weighing considerations on both sides—that GA shld appoint comite and to report FonOff comments as matter of urgency.[5]

ACHESON

[5] Telegram 1571, September 13, from London, not printed, offered a detailed summary of the British Foreign Office's reconsidered position on the question of the violation of human rights in Bulgaria, Hungary, and Romania in the light of the Department of State views presented in the telegram printed here. In sum the Foreign Office believed that it would be wise and would best serve propaganda interests to wind up the question at the forthcoming General Assembly session. The Foreign Office favored working for a resolution which (*a*) took note of the opinions of the International Court of Justice, (*b*) deplored the breach of peace treaties committed by the three governments, (*c*) declared that this could only be explained on the assumption that those governments were afraid of the consequences of an investigation by commissions set up under the peace treaties, and (*d*) declared that such an attitude by the three governmeuts pointed to their being conscious of having been guilty of breaches of the human rights provisions of the treaties. The Foreign Office wished to avoid disjointed debate on the substance of the charges and believed that the material held in support of the charges could be used with equal effect through ordinary propaganda channels (340.1 AG/9–1350).

340.1–AG/9–2250 : Telegram

The Acting Secretary of State to the United States Delegation at the United Nations[1]

CONFIDENTIAL WASHINGTON, September 22, 1950—8 p. m.

309. Below is Department position on human rights in satellite countries.

[1] This telegram was drafted in the Office of United Nations Political and Security Affairs and was concurred in by the Bureau of United Nations Affairs, the Bureau of European Affairs, the Office of the Legal Adviser, and the Office of Eastern European Affairs.

"*The Problem*

To determine the United States position for the Fifth General Assembly regarding the agenda item 'Observance in Bulgaria, Hungary, and Rumania of Human Rights and Fundamental Freedom'.

"*Recommendations*

1. In deference to UK opposition to appointment of Committee of Jurists,[2] the United States Delegation should support and in its discretion may cosponsor a proposal which would:

a. condemn the three satellite Governments for failing to cooperate with the Assembly in its consideration of this problem, and for their refusal to carry out their obligations to submit to the Peace Treaty proceedings as determined in the advisory opinions of the International Court of Justice; [3]

b. conclude that this attitude of deliberate noncooperation casts serious doubts upon the denials by Bulgaria, Hungary, and Rumania of the charges made against them;

c. call upon Members, particularly parties to the Peace Treaties, to submit to the Secretary General of the United Nations and to all Members relevant evidence concerning the charges against the three states.

2. We would be willing to support an inquiry by the Assembly into the substance of the charge if a consensus should develop in the Assembly in favor of such an inquiry. In fact we would be willing to take initiative on matter if strong support for inquiry develops. US shld make this position clear.

3. The position of the US should be concerted with that of the other interested parties to the Treaties of Peace, particularly the UK, Australia, and Canada."

To give effect to rec 3 advisable initiate immediate consultations with UK and other Dels with view to ascertaining their final position and to developing acceptable draft res.[4]

WEBB

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[2] Regarding the British views under reference here, see footnote 5. *supra.*

[3] Regarding the International Court of Justice's opinions of March 30 and July 18, 1950, under reference here, see the editorial notes, pp. 12 and 37.

[4] Regarding the resolution on human rights in the Eastern European satellites adopted by the General Assembly on November 3, see the editorial note, p. 59.

S/P–NSC Files: Lot 61 D 167: NSC 88 Series

Memorandum by the Joint Chiefs of Staff to the Secretary of Defense (Johnson) [1]

TOP SECRET WASHINGTON, 6 October 1950.

Subject: Courses of Action in Event the Soviets Attempt to Close the Baltic

1. The USSR through an officially inspired and controlled publication* has recently advanced the thesis that, in the interest of the security of the USSR and the other Baltic countries, the Baltic Sea should be closed to warships of non-Baltic nations. Only minor revisions in Soviet "legalistic" reasoning would be necessary to extend this thesis to one of a completely closed Baltic Sea.

2. If this article, as is suspected, reflects official Soviet attitude, action may be initiated in the near future to close the Baltic Sea.

3. The United States should seek to prevent closure of the Baltic Sea, bearing in mind that measures to forestall usually are more easily effected than measures to regain.

4. The following are the more important actions which can be taken by the United States to prevent restriction of traffic in the Baltic Sea by the USSR:

a. Full and frequent use of all existing United States rights in the Baltic Sea in order to detect the earliest possible evidence of imposition of Soviet restrictions and in order to preclude any possibility of forfeiture of these rights through disuse. Where such rights are not already being used they should be resumed. This should be accomplished, however, in such a manner as to minimize special comment or attention;

b. Encouragement by the United States Government of the publication of articles in popular media refuting the legality of a USSR thesis of a "closed Baltic Sea"; and

c. Diplomatic action with a view to strengthening the Baltic nations in resisting the USSR thesis of a "closed Baltic Sea."

5. The following are the more important actions which could be taken by the United States if the USSR officially announces that the Baltic is a "closed sea" or by action indicates an intention to enforce closure:

a. To protest and to exert diplomatic pressure:

(1) Unilaterally;
(2) Through the United Nations; or

[1] The source text was circulated as document NSC 88, October 17, 1950, "A Report to the National Security Council by the Secretary of Defense," and under cover of a note by Council Executive Secretary James S. Lay, Jr., October 17, not printed. Secretary Lay's note explained that the memorandum was being circulated to the Council upon the recommendation of the Secretary of Defense, who concurred in paragraph 6, and was being referred to the NSC Staff for use in the preparation of a report for Council consideration.

*"The Regime of Baltic Straits in International Law" by S. V. Moldodtsov, in issue No. 5 1950, of "Soviet Government and Law." [Footnote in the source text.]

(3) Through the North Atlantic Treaty Organization (NATO) channels.

b. To retaliate against the USSR:

(1) By the further limitation of United States ports and the closing of the Panama Canal to all vessels of the USSR and its satellite nations;

(2) By inducing other nations, directly or indirectly, or through the United Nations or through the North Atlantic Treaty (NAT) to join in closing their ports to the USSR and/or its satellite nations, particularly such important waterways as the Suez Canal and the Dardanelles; and

(3) By applying, either unilaterally or in concert with other friendly nations, economic sanctions against the USSR.

6. In view of the political implications of the foregoing, it is recommended that this matter be given early consideration by the National Security Council.

For the Joint Chiefs of Staff:
OMAR N. BRADLEY
Chairman
Joint Chiefs of Staff

Editorial Note

The item "Observance in Bulgaria, Hungary, and Rumania of Human Rights and Fundamental Freedom" was included on the agenda of the Fifth Session of the United Nations General Assembly, held at Lake Success, New York, September 19–December 15, 1950. From October 2 to 5, the *Ad Hoc* Political Committee discussed the question. On October 5, the Committee approved the amended text of a resolution submitted by the Australian Delegation and supported by the United States Delegation. The resolution condemned the refusal of Bulgaria, Hungary, and Romania to fulfill their treaty obligations which had been confirmed by the International Court of Justice, noted the continuance of serious accusations against the three governments, and invited member nations to submit to the Secretary-General any evidence which they might have on the question. For the text of a statement on the agenda item made before the Committee on October 2 by Benjamin V. Cohen, United States Alternate Representative to the General Assembly, see Department of State *Bulletin*, October 23, 1950, pages 666–670. For the official record of the debate in the *Ad Hoc* Political Committee, see United Nations, *Official Records of the General Assembly, Fifth Session, Ad Hoc Political Committee*, pages 7–38.

The resolution approved by the *Ad Hoc* Political Committee was considered by the General Assembly at its 302d and 303d Meetings, November 3. The General Assembly adopted the resolution (385 (V))

at the conclusion of its 303d Meeting by a vote of 40 (including the United States) to 5 (Soviet bloc), with 12 abstentions. For the official record of the debate, see United Nations, *Official Records of the General Assembly, Fifth Session, Plenary Meetings*, pages 348–369. For the text of the approved resolution (U.N. doc. A/1486), see Department of State *Bulletin*, November 27, 1950, page 872, or *American Foreign Policy, Basic Documents, 1950–1955*, pages 2080–2081.

601.6111/12–1450 : Circular airgram

The Secretary of State to Certain Diplomatic Offices [1]

SECRET WASHINGTON, December 14, 1950—3:05 p. m.

The Intelligence Advisory Committee (consisting of representatives of the Department, CIA, Army, Navy, Air Force and FBI) have recommended that the following policy be adopted with respect to official representatives of Soviet and Satellite nations in the U.S.:

I. *General*

A. Insofar as possible the treatment of Soviet and Soviet Orbit official representatives in the U.S. shall be on a strictly reciprocal basis in accordance with the treatment of U.S. official representatives in the USSR and in the corresponding Soviet Orbit Countries.

B. The term "official representatives" shall be interpreted to include all officials of these countries on duty in the U.S. in any official capacity, exclusive of those who are members of country delegations to the United Nations or are employees of United Nations organizations.

II. *Specific*

A. That, in general, unrestricted travel for Soviet and Soviet Orbit nation official representatives on duty in Washington, D.C., or wherever stationed, be limited to a radius of 35 miles from the limits of the District of Columbia or of the city where they are stationed, where the principle of reciprocity demands. (A more restrictive policy has already been implemented with regard to Rumanian representatives on a reciprocal basis.)

B. That all such official representatives, whose movement is subject to restriction by interpretation of this policy, will accomplish travel outside of the restricted zone only after having notified the U.S. agency of primary concern (Diplomatic, Consular, and Civilian Personnel of Mission and Consulates and other civilian agencies—Department of State, Military Personnel—their corresponding Service Departments). Written notification of such travel shall be submitted

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[1] This circular airgram, which was drafted in the Division of Acquisition and Distribution of the Office of Libraries and Intelligence-Acquisition, was sent to the Embassies in Moscow, Warsaw, and Praha, and the Legations in Budapest and Bucharest.

by the Mission at least three days in advance of the intended time of departure with a statement of the following:

1. Names of persons included in party.
2. Complete itinerary, including places to be visited, duration of trip, mode of travel, and stopping places en route.

Any deviation in the itinerary, postponement, or cancellation of travel shall be communicated at least 24 hours in advance to the agency of primary concern by the mission.

C. That the FBI shall institute "spot check" procedures on personnel movements as necessary and practicable in implementation of this policy. To this end, the FBI shall, on receipt of a travel notification or change therein, by any agency as mentioned above, immediately be notified. Any deviation by Soviet Orbit representatives engaged in travel from notified procedures shall immediately be reported to the U.S. agency of primary concern by the FBI.

D. That infractors who are thereby detected will be subject to immediate recall by official declaration—"persona non grata"—contingent upon recommendations by the agencies concerned. Prior to final action, which rests exclusively with the Department of State, other agencies regularly represented on the Intelligence Advisory Committee shall be consulted.

E. That requests to visit specific U.S. installations or industrial plants of military, scientific, technological or strategic significance or any exercise or maneuver of a military nature will be permitted only on a reciprocal basis, subject to security regulations.

F. That all matters concerning protocol in which U.S. and Soviet Orbit representatives are involved will be monitored by informal liaison between the agencies concerned.

G. That this policy be reviewed quarterly or more often if necessary, and that prior to revision the proposed revision be submitted to the U.S. Missions in Moscow and in the Soviet Orbit nations for study and recommendations.

Your comments on the above recommendations would be appreciated.

The Department realizes that should the recommended policy be adopted, its actual application to the various countries concerned would require careful timing. Your comments on the method, circumstances and proper occasion for application are also desired.

ACHESON

S/P-NSC Files : Lot 61 D 167 : NSC 88 Series

Memorandum Prepared in the Department of State [1]

TOP SECRET [WASHINGTON, undated.]

Problem

U.S. attitude and courses of action in the face of Soviet agitation to close the Baltic to non-Baltic powers.

Discussion

It is not a new Russian thesis that the Baltic should be closed to non-Baltic powers. This view has recently been put forward again in Soviet publications. We believe that closure of the Baltic is not likely of acceptance by Denmark and Sweden unless accompanied by military force; we also believe that Soviet use of military means to close the Baltic is unlikely except in the event of general hostilities, in which case such means should be expected. In fact, in case of general hostilities, it would appear to us that we and our allies would wish to try to close the Baltic with a view to denying egress to, or reducing the effectiveness of, Soviet naval power, especially submarines, stationed in the Baltic.

With respect to the means which might be resorted to by the United States to discourage or to prevent the Soviet Union from agitating for the closure of the Baltic, it would seem that suggestion *a* in paragraph 4 of the JCS memorandum of October 6, 1950, namely that the United States should make full and frequent use of all existing rights in the Baltic, might have an effect opposite from that intended. Such a course on our part appears more likely to stimulate the Soviet Union to intensify agitation for the closure of the Baltic.

As to suggestion *b* in paragraph 4 of the JCS memorandum, we believe that the publication of articles in scholarly American journals would contribute to refuting the legality of a Soviet thesis of a closed Baltic Sea. We question the helpfulness to the United States and to other like-minded powers of a rash of articles in the press and the

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[1] This memorandum was transmitted to National Security Council Executive Secretary Lay by Ambassador at Large Philip C. Jessup under cover of a memorandum of December 26, 1950, not printed, which recalled that at the meeting of October 19, 1950, of the NSC Senior Staff (of which Jessup was the Department of State member) they had reached agreement that the Department of State should prepare for consideration by the NSC Staff a draft report on U.S. courses of action in event the Soviet Union attempted to close the Baltic Sea, taking into account the views expressed by the Joint Chiefs of Staff memorandum of October 6 (p. 58). Jessup's memorandum concluded with the statement that the "views of the Department of State in the premises" were transmitted for appropriate circulation.

The source text indicates that this memorandum was drafted in the Office of the Ambassador at Large by L. Randolph Higgs, Acting Deputy Director of the Office of Eastern European Affairs, and by David H. Henry of the Office of Eastern European Affairs.

popular periodicals which could be interpreted as an organized campaign.

We agree with the JCS view expressed in paragraph 4*c* that we should encourage Sweden and Denmark to object strenuously to the Soviet thesis. There is no sign, however, that either with or without such encouragement the Swedes or the Danes are, at the present time, modifying in any fashion their traditional attitude toward an open Baltic Sea. It is agreed that advantage should be taken of all appropriate occasions for diplomatic action by the United States designed to foster the already friendly disposition of Denmark and Sweden toward the United States, and to encourage the respective governments, with the backing of the people, to resist Soviet demands or blandishments. Examples which can be pointed to as situations resulting from successful diplomatic actions in recent years in connection with these two countries are their membership in the OEEC; Danish entry into the NATO; and their membership in the UN.

In connection with the consideration of possible Soviet reactions to the decision in the NATO to invite the Federal Republic of Western Germany to participate in the defense of Western Europe, examination has been made in the Department of State of the Baltic as one of the areas in which the Soviets might take retaliatory action. We believe that the most likely Soviet move would appear to be increased pressure on Finland. For example, the Soviet Union might endeavor to influence the composition of the Finnish government, or might try to create closer political ties, or to obtain additional military bases. Soviet diplomatic protests might also be lodged with Sweden, Denmark, and Norway against some pro-western action on their part. The USSR might also extend its campaign of terrorizing Baltic trade and fishing by unwarranted seizures of vessels on the high seas. Such an approach toward closure of the Baltic would seem more probable than an outright pronouncement to that effect.

At the same time, Soviet propaganda and war of nerves may be expected to continue, and probably to be intensified, for the purpose (1) of discouraging Norway and Denmark from participation in NATO activities, and (2) of encouraging continued Swedish neutrality while at the same time charging that such neutrality is in fact anti-Soviet.

Conclusion

From the foregoing discussion it is concluded that:

(1) the Soviet thesis of a closed Baltic does not present the United States with any real problem at this time; and

(2) the Soviet thesis, unless implemented with military force, is most unlikely of acceptance by either Denmark or Sweden.

The United States should, therefore:

(1) through unofficial personal contacts encourage the publication in scholarly journals of articles refuting the thesis of a closed Baltic;

(2) also through unofficial and personal contacts encourage Swedish and Danish publicists to write similar articles for publication both in their own countries and in other countries, including the United States;

(3) keep in touch with the Danes and the Swedes to ascertain any approaches that the Soviet Union may make to Sweden and Denmark for the closure of the Baltic, and indicate to the governments of these two countries the unalterable opposition of the United States to closing the Baltic to non-Baltic powers.[2]

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[2] This memorandum was not acted upon and was subsequently dropped from NSC consideration.

UNITED STATES POLICY ON TRADE WITH EASTERN EUROPE AND THE SOVIET UNION; EFFORTS TO ACHIEVE AN INTERNATIONAL SECURITY EXPORT POLICY [1]

400.119/1–1250 : Circular airgram

The Secretary of State to Certain Diplomatic Offices [2]

SECRET WASHINGTON, January 12, 1950—11:15 a. m.

From State and Commerce. Reference is made to our circular airgram of November 4 on United States export controls.[3] As stated in the above referred to airgram the Department of Commerce has extended the export control of selected strategic commodities to all areas. Current export Bulletins 551, 552 and 553 announced the list of items for which the extended control applies. A few additional items may be added as a result of further review of certain items on which interagency agreement has not yet been reached. The selected list of commodities includes some items which in the opinion of United States authorities are of such strategic importance that no shipments should be permitted to Eastern Europe while in the case of other items including copper, lead and zinc only limited quantities should be licensed for export. It is the policy of the Department of Commerce not to approve for export any significant quantities of copper, lead, or zinc from the United States to Eastern European countries except possibly to Finland and Yugoslavia in special circumstances and to review shipments to other controlled areas to prevent transshipment to the Eastern controlled bloc.

In order to restrict the export of strategic commodities to Eastern Europe negotiations are in progress with certain Western European countries, including Western Germany, to establish export controls to Eastern Europe parallel to those of the United States, namely, complete embargo on some items and limited exports of others. These negotiations have progressed to a point at which it appears that parallel action by the Western European countries will be increasingly effective. Comparable controls have been instituted over exports

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[1] For previous documentation on these subjects, see *Foreign Relations*, 1949, vol. v, pp. 61 ff.

[2] This circular airgram was sent to the diplomatic missions in the American Republics.

[3] Not printed, but for a summary transmitted as a circular telegram of November 2, 1949, 2 a.m., to all diplomatic offices, see *Foreign Relations*, 1949, vol. v, p. 167.

in Japan. The Canadian government has also established similar controls.

The Department of Commerce and the Department of State have been increasingly concerned with the transshipment of strategic commodities of United States origin through Latin American countries to Eastern Europe, either in their original form or after advanced processing, as well as the direct export of such commodities from Latin America. The Department of Commerce and the Department of State have considered three possible steps to control transshipment of goods through Latin American countries or their direct export from those countries:

1. Obtaining cooperation in the United States by American Corporations having subsidiary companies in Latin America producing or exporting strategic commodities.
2. Obtaining the control of exports of strategic commodities from Latin American countries by subsidiary companies of American firms by means of direct approach through the Foreign Service with the subsidiary company.
3. The establishment of effective parallel export controls, either formal or informal, by Latin American countries similar to those now under negotiation with certain Western European countries.

It has been decided to approach the question of control of strategic commodities from Latin American countries with caution and on a gradual basis. For this reason only the first step outlined above will modities of United States origin through Latin American countries is forthcoming, consideration will be given to further steps (2 and 3 above) only if that cooperative effort fails to achieve effective control.

Although this airgram is directed mainly to those Missions of countries exporting copper, lead, and zinc, all Missions are requested to comment immediately as to (1) the possible effectiveness of the proposed step 1, as well as on the other two possible methods of controlling the export of strategic commodities for Eastern Europe, and (2) the economic and political impact which the Missions would foresee from the imposition of strict limitative control of copper, lead and zinc to Eastern Europe.

ACHESON

London Embassy Files: Lot 59 F 59: 500 Marshall Plan: Telegram

The Special Representative in Europe for the Economic Cooperation Administration (Harriman) to the Economic Cooperation Administrator (Hoffman) [1]

SECRET PARIS, January 13, 1950—9 p. m.

Repto 212. Pass State Commerce NME. Subject: East-West Trade. East-West Trade Control meeting opened afternoon 9th with plenary session.[2] Subcommittee appointed to prepare report on nature of continuing work Consultative Group and approp form org. Subcommittee completed work 12th. Summary of report follows:

A. Immediate task to complete lists I and II, settle list III; [3] continuing work to consider amendments of lists, review control problems, circulate info, prepare agenda for Consultative Group, call meetings experts, exchange statistics and info on transshipment.

B. 1. Consultative Group composed dels of high official rank to deal with policy, meet quarterly;

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[1] This message was repeated to London, Rome, Brussels, Copenhagen, Oslo, Stockholm, The Hague, and Vienna.

[2] During a series of meetings in Paris in November 1949, representatives from Belgium, France, Italy, the Netherlands, the United Kingdom, and the United States agreed on the establishment of a permanent group (subsequently referred to as the Consultative Group) composed of delegates from the participating countries and serving as a forum for the multilateral approach to the problems of strategic export control. Canada, Norway, and Denmark soon after undertook to participate in the work of the Consultative Group. Regarding the November 1949 meetings in Paris, see telegram Repto 7579, November 25, 1949, from Paris, *Foreign Relations*, 1949, vol. v, p. 173.

The Consultative Group met in Paris from January 9 to January 20, 1950. Delegates from Belgium, Canada, Denmark, France, Italy, the Netherlands, Norway, the United Kingdom, and the United States participated in the meetings. Hervé Alphand, Director General for Economic and Financial Affairs in the French Foreign Ministry, and Head of the French Delegation, was Chairman of the Consultative Group. The United States Delegation was headed by Joseph M. McDaniel, Jr., Assistant to the Deputy Administrator of the Economic Cooperation Administration, and the British Delegation was headed by John E. Coulson, Deputy to the Permanent United Kingdom Representative to the Organization for European Economic Cooperation.

A summary report on the Consultative Group meetings, dated January 25, by Delegation Chairman McDaniel, together with the texts of the three formal reports produced during the meetings (on organization, lists, and transit trade), none printed, are filed separately under 840.00R/1–2550. A separate brief outline report on the meetings, prepared for the Advisory Committee on Requirements, ACR Document 39, January 24, not printed, together with the texts of the three formal documents, were included as enclosures to the circular instruction of April 26, p. 87.

[3] At the intergovernmental meetings on East-West trade controls in Paris in November 1949 (see footnote 2, above), representatives of the participating countries agreed on the establishment of three lists (the International Lists) of items subject to strategic export controls. International List I included those items whose export was totally embargoed. International List II included those items subject to quantitative controls, and International List III included those items whose control was under consideration. International Lists I and II were substantially smaller than the equivalent lists (1–A and 1–B) of the American security export control program. For an explanation of the differences between the International Lists and the American lists, see the circular instruction of April 26, p. 87.

2. Coordinating Committee composed reps all PC's, available Paris to carry on continuing work, deal with matters of multilateral interest or of concern individual members. Would be in effect permanent consultative mechanism;

3. Coordinating Committee wld arrange meetings experts as necessary;

4. Chairman Coordinating Committee responsible arrange necessary secretarial assistance.

Countries except Netherlands adequately represented, and all except Netherlands have been working constructively in plenary and subcommittee. Netherlands delegate [4] stated at plenary his Govt opposed permanent group or secretariat, wanted to work only on bilateral basis with US, feared publicity, but would follow gen control policy with certain necessary exceptions. All other dels rebutted Netherlands at plenary. Netherlands failed appear for subcommittee work and Netherland del went to Hague Wed returning today. In view apparent Netherlands attitude, could State Dept advise nature statement made by Netherlands in requesting withdrawal Article VII MAP bilateral.[5]

Plenary will meet 13th to consider report on organization,[6] admission of Germany and schedule further work. Comites on transit and lists are continuing work on technical level.

D'Orlandi [7] was appointed by French as chairman subcommittee and proved competent. Method selection chairman Coordinating Committee not determined but he appears logical choice.

HARRIMAN

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[4] S. J. van Tuyll van Serooskerken, Chief of the Netherlands Delegation to the Organization for European Economic Cooperation.

[5] Regarding the problem of the proposed Article VII in the bilateral military assistance agreements between the United States and various Western European nations, see the editorial note, p. 72. Telegram 205, January 16, to Paris, not printed, authorized the American Delegation to the Consultative Group meetings to state the Department of State's position relative to the article and to emphasize to the Dutch the need for full multilateral agreement on controls and the establishment of the Consultative Group (840.00R/1-1650).

[6] Telegram Repto 224, January 13, from Paris, not printed, reported that the Consultative Group plenary meeting of that date, with the Netherlands Delegate not present, agreed to recommend to their governments the acceptance without change of the subcommittee report on organization (London Embassy Files, Lot 59 F 59, 500 Marshall Plan).

[7] Giovanni D'Orlandi, member of the Italian Delegation to the Organization for European Economic Cooperation, who subsequently did become permanent chairman of the Coordinating Committee.

840.00R/1–1850 : Telegram

The Special Representative in Europe for the Economic Cooperation Administration (Harriman) to the Economic Cooperation Administrator (Hoffman)[1]

SECRET PARIS, January 18, 1950—9 p. m.

Repto 325. For State, Commerce, NME. Reference Repto 212[2] and 224.[3]

A. Plenary meeting 18 began with statement by Netherlands delegate to effect Netherlands fully prepared cooperate in program, retained objections to formal organization and to multilateral commitments, satisfied no international secretariat was contemplated, glad to cooperate in consultative work on informal basis, willing to attend any meeting at any level when necessary. Stated informally Netherlands not worried by developments to date, but feared large secretariat which would look for work to do, disliked possibility of stretching concept of "strategic" to cover items such as food, and sought avoid publicity. Said wanted be free to deny membership in any organization set up for purpose preventing shipments to Eastern Europe. Other delegates said they thought Netherlands statement made it possible for work to proceed without difficulty, as all countries shared Dutch worries and all assumed confidential and informal character this group. French chairman stated he assumed Dutch statement indicated acceptance coordinating committee, and Netherlands did not object this inference. French and US stated they accepted formally, and other delegates said they had no confirmation from their governments, but expected it momentarily.[4]

B. As working group chairman, d'Orlandi reported results of work on lists which occupied all of fourteenth, sixteenth, and seventeenth. Copy report being airpouched. Summary as follows:[5]

(1) Of 13 items in list III, 6 are moved to I, 2 to II, and 5 reserved for future work.

(2) Consideration of US list of additional 36 items resulted in inclusion 12 in list I, 1 in II with balance left for further work in III. Expert examination chemical equipment agree necessary for about ten items.

(3) Inclusion of an item in II implies it has strategic significance, that countries agree to restrict exports to Eastern Europe to quantities

[1] Sent to Washington; repeated by pouch to Oslo, Copenhagen, Brussels, The Hague, London, Rome, and Frankfort.

[2] *Supra.*

[3] Not printed, but see footnote 6, *supra.*

[4] Subsequently unqualified approval was received also from the United Kingdom, Italy, Canada, Belgium, and Norway. The Danish Government while not opposing participation in the Consultative Group was reluctant to recommend such participation if the reestablishment of formal export controls in Denmark was necessary. The Danish Delegate stated his belief that the control objectives could be met by administrative action which he felt might be entirely satisfactory.

[5] Regarding the text of the report on lists summarized here, not printed, see footnote 2, *supra.*

considered reasonable, and will in future pool necessary statistical and other information for joint consideration as safeguard against excessive exports in aggregate. UK delegate to submit further analysis of list II treatment on ships, and note taken of US proposal on quantitative controls with agreement that it should be considered jointly at early date.

(4) Minor reservations include fact Norwegian delegate had no instructions on the 36 items but expects them shortly and fact Netherlands delegate attended only one session working group and hence could not pass on all items added to lists I or II. Danish delegate stated his government reluctant undertake formal export controls but would do best through administrative means. (This was discussed in plenary and British delegate said he was not satisfied with Danish formal statement in report; Danish reply was more satisfactory, and all agreed to see how administrative controls worked out.)

(5) Report leaves for settlement by heads of delegations problems of diamonds and diamond tools, tankers, oil well drilling and exploration equipment and casing and oil pipe.

C. Consideration list report by plenary resulted in conclusions (1) that areas of agreement are to be considered as recommended to governments for action, (2) that items subject to further technical analysis and discussion are sent to coordinating committee as soon as it comes into existence, and (3) items on which heads of delegations were asked to agree are resubmitted to governments for re-examinations, inasmuch as no agreement seemed possible this session.

D. German question quickly resolved by decision authorize French chairman transmit invitation to HICOM, with form of representation to be determined by occupying powers and with German membership to begin with coordinating committee as soon as established, and to extend to plenary the next time it meets. Agreed letter to German Government (reported earlier by HICOG) was read by French and British. No discussion.

E. Yugoslav question aroused considerable interest. US and UK explained policies of licensing class I items when justified in terms western interests. It then appeared a number of countries maintained list I embargo on Yugoslavia, and US found it advisable minimize actual 1A shipments. There was general feeling no munitions should be shipped without prior consultation. US said would consider and report and would also furnish statement licensing criteria for list I and II items, together with facts on actual licenses issued. Coordinating committee to examine, also to determine whether it will be useful for it to develop internationally agreed munitions list for use in Yugoslavia and other cases. Other members to furnish statements similar to US.[6]

[6] Telegram 1258, March 17, from Paris, not printed, reported that the Coordinating Committee on March 11 approved a statement on policy toward Yugoslavia (CoCom Document 16, not printed) essentially in accord with American policy and providing for an interchange of information on denials and approvals of exports to Yugoslavia (450.6031/3–1750).

F. Discussion of Finland followed same lines and it appeared some countries embargo list I, other license as US does; Norway said could not consider applying restrictions Finland. US agreed here to supply statement licensing criteria and data on actual licensing for study by coordinating committee. Other members will also submit statements.[7]

G. Switzerland, Sweden, and Turkey were mentioned but discussion postponed until plenary on January 20 when transit report will be presented.[8] At that time, enough governments should have position on coordinating committee for it to be established and first meeting date set. Plenary agreed it should meet soon and plan work. Selection of chairman not mentioned but we have private French commitment designate d'Orlandi.

H. At last moment Danish delegate[9] stated he had to explain tanker situation because he understood it was expected all PC's would fulfill trade agreement and there are three tankers included in Danish agreement, one 12,000 ton already contracted and two 5,000 ton vessels not yet under contract. He said Russians had just requested dropping commitment for smaller two and ordering another 12,000 ton ship instead. Danish Government is inclined to think it must do this and accept order for larger ship because it needs proceeds from sale of ships to pay for oilcake and wheat it imports from USSR. Dane said he was presenting this situation because his government wanted all others be informed. US said this raised question of trade agreements in general, which had not been treated this session, and French chairman said he thought everyone had agreed that old trade agreement commitments are to be kept, but new ones not be made for list I. He asked if all understood problem this way and there was full assent. He then said that it was "legal" to include in new trade agreements items which were being considered for list I but that it would be bad ethics to do so. All agreed.

I. When China was mentioned, US stated not prepared discuss and it was not mentioned again.

J. Question of Austria discussed in terms of end-use checks and screening to prevent list I items falling into Soviet hands. US de-

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[7] In CoCom Document 50, May 12, 1950, not printed, the Coordinating Committee recognized that Finland was a democratic country which should be given such facilities as were consistent with her geographical position. Current American export policy toward Finland was noted, and the Committee agreed that participating countries should exchange the same information about the export of security items to Finland as already had been agreed for Yugoslavia (Despatch 1190, May 26, from Paris: 450.6031/5-2650).

[8] A draft report by the Working Committee on Transit Trade was presented to the Consultative Group on January 20, but there was apparently too little time to permit an informed debate. Regarding the text of the report on transit trade, not printed, see footnote 2, *supra*.

[9] E. Sveinbjørnsson, of the Danish Foreign Ministry.

scribed own procedure, British and Italians said theirs similar. Group agreed it would be impolitic invite Austrian Government participate.[10]

HARRIMAN

[10] Telegram 2300, May 15, from Paris, not printed, reported that at recent meetings of the Coordinating Committee, it was agreed that Austria should be treated as a Western country and a single unit, with the caution reflecting its strategic location. It was agreed that all license applications for exports to Austria would be carefully scrutinized for consignee reliability, security importance of the commodity, and Austrian needs (463.509/5–1550).

Editorial Note

During December 1949 and January 1950, the United States Government, under the authority of the Mutual Defense Assistance Act of 1949, negotiated bilateral military assistance agreements with other member states of the North Atlantic Treaty Organization—Belgium, Denmark, France, Italy, the Netherlands, Norway, and the United Kingdom. In the course of these negotiations, agreement was reached on certain nonsubstantive changes in the early American version of the bilateral agreements. One of these changes involved the deletion of a proposed article (designated Article VII in the early draft American agreement) setting forth an undertaking to cooperate in intergovernmental strategic export control programs. The participating countries favored deletion of the proposed Article VII as raising serious parliamentary issues and making more difficult the accomplishment of common objectives. The United States agreed to the deletion provided that there be a secret record of previous negotiations which gave adequate assurance of future cooperation by the participating governments in intergovernmental strategic trade control discussions. By the time of the signing of the seven bilateral military assistance agreements in Washington on January 27, 1950, all the participating governments had agreed to include the substance of such an undertaking in some form of secret minute or letter separate from the agreements themselves. For documentation on the negotiation of these bilateral agreements, see volume III, pages 1 ff. The circumstances of the deletion of the proposed Article VII are discussed in greater detail in telegram 574, February 7, to London, page 75.

400.62A9/2-1750

The Chancellor of the Federal Republic of Germany (Adenauer) to the Chairman of the Allied High Commission for Germany (McCloy)[1]

5801/0703/50 BONN, 2 February 1950.

SIR: With reference to the letter from the Joint Export-Import Agency, dated 28 Nov 1949—ECON/FT-500—to the Minister of Economics concerning Retrictions and Prohibitions on Movement of Certain Items and Commodities,* may I inform you of the following:

The measures suggested by the Allied High Commission are of particularly far-reaching significance for the Federal Republic of Germany. They not only touch German trade with the Eastern countries, but also with the Soviet zone of Germany. Under the existing circumstances the Federal Government cannot disregard the need for such measures, and is therefore ready to put into effect the restrictions and prohibitions on the export and import of certain articles and commodities, as demanded.[2] Coupled with this decision, however, the Federal Government would earnestly request to be placed on a footing of complete equality with other participant countries as regards these restrictions on its trade.

May I mention that heretofore the Federal Republic of Germany has not enjoyed the same treatment as other countries. I enclose herewith a memorandum[3] giving more details on this matter. I take the liberty in this connection to point out specially the following aspects:

The complete positive lists as drawn up by the United States so far have been applied only to exports from the United States proper

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[1] This letter was referred by the Allied General Secretariat of the Allied High Commission for Germany to the Foreign Trade and Exchange Committee of the Allied High Commission as document AGSec (50)207, February 6, 1950. The source text was transmitted to the Department of State as an enclosure to despatch 235, February 17, from Frankfort, not printed. John J. McCloy was United States High Commissioner for Germany. The chairmanship of the Allied High Commission rotated among the American, British, and French High Commissioners.

*Subject title as used in HICOM/P(49)74. Actual text reads "Restrictions and Prohibitions on the Export and Import of Certain Commodities". [Footnote in the source text. Under reference here is a letter from the Allied High Commission to the Federal Republic of Germany, dated November 25, 1949, and delivered November 28, requesting the Federal Republic to assume the responsibility for the administration of security export controls until then administered by agencies of the tripartite occupation authorities. Documentation regarding this letter is printed in *Foreign Relations*, 1949, vol. v, pp. 61 ff.]

[2] Under cover of a letter of April 4 to the Allied High Commission, not printed, Chancellor Adenauer presented the detailed plans and instructions covering the proposed new German Federal export control procedure. Allied High Commission approval of the procedures was conveyed in a letter of April 21 to the Federal Government, not printed. The texts of these communications were included as enclosures to despatch 783, May 8, from Frankfort, not printed (400.62A9/5-850). The new procedures went into effect in the Federal Republic on May 10.

[3] Not printed.

and from the Federal Republic of Germany. In the other countries of Europe, a control is exercised, if at all, according to the so-called Anglo-French List,[4] comprising only 70 to 80% of the items of the complete United States list. The Federal Government feels it is specially important that uniform positive lists be drawn up and put into effect as soon as possible for all participant countries.

Furthermore, the trade agreements at present in force constitute a special problem.

In the discussions which have taken place to date in Paris on this question the view has been put forward that these trade agreements should continue to be fulfilled, even where they cover items contained in the positive lists. The Federal Republic of Germany has in this connection been placed at a disadvantage since the United States' lists had already been applied to Germany's trade agreements, while, for example, British agreements with Eastern countries contained items of commodities which were ruled out for Germany. Here, too, the Federal Government is moved to insist on equal treatment and therefore asks to have it brought about that either all countries cease to supply commodities shown on the positive lists regardless of their obligations under any trade agreements, or, should for basic principles the fulfilment of the agreements be felt to be desirable, that German industry be allowed to supply the corresponding items to Eastern countries during the period in question.

For the rest, may I point out that, as shown in the enclosed memorandum, the Federal Republic of Germany will through these measures suffer losses in its foreign trade amounting to 150 to 200 million $, to which must be added a loss of from 40 to 50 million $ in its trade with the Soviet zone. In addition, the economy of Berlin will suffer losses which very likely can be made up only by higher subsidies.

Accept [etc.]

ADENAUER

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[4] The "Anglo-French List" was an earlier version of the International Lists referred to in footnote 3, p. 67.

740.5 MAP/2-750 : Telegram

The Secretary of State to the Embassy in the United Kingdom[1]

SECRET WASHINGTON, February 7, 1950—7 p. m.

574. Tomap. Deptel 468 Feb 1, Paris 432, Rome 366, Oslo 53, Copen 56, Brus 126, Lux 7, Hague 92, HICOG Frankfurt 672.[2] Sat[3] *NY Times* contained art by Sidney Gruson datelined Brus Jan 31 advising US withdrew proposed secret annex in connection with regulating export war-potential material as result concerted opposition European recipients. Art states secret annex proposed after Europeans had objected art in original draft bilateral dealing this problem. Art quotes text proposed secret Minute of negots as follows: Cites original Art VII that recipient govts in full accord with terms that provision, reference to discussions held Paris Nov 1949 and progress made therein with respect to establishment and operation of Permanent Consultative Group and assurances of recipient govts to cooperate further in operations of such Group. It ends with suggestion that inclusion of any such provision in bilateral unnecessary.

Art quotes exact text proposed Minute of negots as agreed with UK, which comparable text letters used by other countries (Dutch and Danish letters had somewhat different texts). Art reports US denial of any secret annexes to bilateral agreement and denial US ever proposed any secret agreement. Also states US official advised US did not propose to regulate export to Sov countries in these discussions. Under Lond dateline Feb 3 art advises that FonOff and Defense Ministry spokesman declined to comment but did not deny that any attempt to include such art had been made, and stated that publication might be embarrassing to US in its efforts to achieve multilateral trade. Also US Emb spokesman advised Wash was content with arrangements for control of American mil aid, and suggested that document on which report based might have been preliminary working paper prepared for discussion which led up to drafting of treaty.

It is hoped that no further arts will follow Gruson's report. In any event you shld advise FonOff country to which you accredited that Dept has denied and will continue to deny categorically any assertion

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[1] This telegram was repeated to Paris, Rome, Oslo, Copenhagen, The Hague, Brussels, Luxembourg, and HICOG/Heidelberg.

[2] Not printed. It stated that the *New York Times* had informed the Department of State that the *Times* London Bureau had learned that the United States proposed a secret annex to the recently signed bilateral military assistance agreements with European countries dealing with the control of strategic exports to the Soviet Union and its satellites. A Department spokesman advised the *Times* that there were no secret annexes or agreements and that none had been proposed by the United States or the European negotiators. The *Times* had not printed the story from London in its February 1 issue (740.5 MAP/2-150). Regarding the undertaking by various European countries to cooperate in intergovernmental strategic export control programs, see the editorial note, p. 72.

[3] February 4.

that there are or were proposed at any time by any party secret agreements or annexes to MDAP bilateral. You shld also advise FonOff with respect to any questions as to whether US proposed any such secret agreement as reported by Gruson that line Dept taking is general denial plus statement that talks during negots cannot of course be made public without full agreement of all countries. On basis of interview it appears that Gruson probably obtained his material either in Brus or Hague.

With respect any questions you may receive concerning Consultative Group it is recommended that Emb deny existence of any multilateral organization to deal with this problem.

ACHESON

450.609/2–1550 : Circular telegram

The Secretary of State to Certain Diplomatic Offices [1]

SECRET WASHINGTON, February 15, 1950—3 a. m.

Eyes only for Chiefs of Missions. Brussels telegram 209, February 9, repeated Paris 60, London 43, Rome 8, Oslo 2, Copenhagen 3, The Hague 19, Luxembourg 2, Heidelberg 5.[2] For political and economic reasons nearly all European countries have taken strong position that secrecy be maintained over multilateral aspects export controls arrangements. Thus during course negotiations bilaterals agreed on behalf all countries including U.S. that secret minutes of negotiations covering east-west trade controls (and which refer to Paris consultative meetings) [3] could not be made public or made available to Parliaments and Congress except with consent of all. If these countries forced publicly to admit existence of multilateral arrangements to coordinate export control program, strong likelihood exists that they would withdraw from discussion and program. Therefore U.S. and all other governments have agreed on method informal consultation and there is no formal arrangement or agreement. Consultative group meetings are for exchange of information and views with respect to common objectives export control matters. Never related in any way to OEEC or NAT and U.S. has made special effort to keep this clear.

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[1] This circular telegram was sent to Paris, London, Rome, Oslo, Copenhagen, The Hague, Luxembourg, and Frankfort.

[2] In the telegram under reference, not printed, Ambassador Robert D. Murphy observed that it was already generally known that an informal multilateral organization met at Paris from January 9 to 20 to deal with the broad question of East-West trade controls. Murphy suggested that the United States "put a bold front on matter" and publicly acknowledge that it was taking steps with like-minded European countries to stop the flow of strategic goods to Eastern Europe and the Soviet Union (740.5 MAP/2–950).

[3] Regarding the negotiations under reference, see the editorial note, p. 72. Regarding the Paris consultative meetings, see footnote 2, p. 67.

For this reason Gruson Report quite disturbing and Department believes necessary to proceed accordance with Deptel 574, February 8 [7] to London (512 Paris, 443 Rome, 72 Oslo, 72 Copenhagen, 110 The Hague, 156 Brussels, 11 Luxembourg, and 34 Heidelberg).[4]

FYI full information on Paris meetings sent by OSR to ECA Mission London, Oslo, Copenhagen, Brussels, The Hague and Rome.

U.S. would be prepared admit it consults other like-minded countries and that they consult U.S. concerning security problem of mutual interest in export control field. We think PC's will go this far if necessary and if matter dissociated from OEEC and NAT and MDAP.

Department will cable further re content any such proposed statement.[5]

ACHESON

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[4] *Supra.*

[5] The text of a Department of State briefing paper on the subject of East-West trade, prepared for possible use in Congressional hearings on the European Recovery Program, was transmitted in a circular airgram of March 10, not printed (450.6031/3–1050). The briefing paper appears not to have been used. A memorandum of March 8 by Willis C. Armstrong of the Economic Resources and Security Staff of the Department of State, not printed, indicates that William C. Foster, Deputy Administrator of the Economic Cooperation Administration, discussed East-West trade during an executive session of the House Appropriations Committee on March 7. Foster explained that an intergovernmental organization had been established in Paris and that if information concerning it were to be made public it would probably break up. The Committee appeared to be completely satisfied and understood the need for secrecy (440.6031/3–850).

400.119/3–850 : Circular airgram

The Secretary of State to All Diplomatic Offices [1]

CONFIDENTIAL WASHINGTON, March 8, 1950—8 : 55 a. m.

From State and Commerce. The Department of Commerce will announce Wednesday morning, March 8, the expansion of Country Group R, effective March 20, 1950, to include all export destinations except Canada (including Newfoundland and Labrador) to which US export controls are not applicable and except the following destinations in North and South America which represent reconstituted country Group O:

NORTH AMERICA

Northern Area
Greenland
Miquelon and St. Pierre Islands

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[1] This airgram was drafted by J. Mishell George, Assistant to the Director of the Office of International Trade, Department of Commerce.

Southern Area
- Mexico (including Cozumel and Revilla Gigedo Islands)
- Central America:
  - Guatemala
  - British Honduras
  - El Salvador
  - Honduras (including the Bay Islands)
  - Nicaragua
  - Costa Rica
  - Panama, Republic of
  - Bermuda and Caribbean
    - Bermuda
    - Bahamas
    - Cuba (including Isle of Pines)
    - Jamaica
    - Haiti (including Gonave and Tortue Islands)
    - Dominican Republic
    - Leeward and Windward Islands
    - Barbados
    - Trinidad and Tobago
    - Curacao (Netherlands West Indies)
    - French West Indies

SOUTH AMERICA

Northern Area
- Colombia
- Venezuela
- British Guiana
- Surinam (Netherlands Guiana)
- French Guiana (including Inini)

Western Area
- Ecuador (including the Galapagos Islands)
- Peru
- Bolivia
- Chile (including the islands Sala-y-Gomoz, Juan Fernandes, San Felix, San Ambrosio, and Easter Island)

Eastern Area
- Brazil (including the islands St. Paul, Fernando Noronha, and Trinidad in South Atlantic)
- Paraguay
- Argentina
- Falkland Islands

The R Procedure up to this date has included Europe, Asiatic USSR, Turkey, Metropolitan North Africa, the United Kingdom, Ireland, and Iceland. Country Group O has included all other countries except Canada (including Newfoundland and Labrador). For further detail, refer to circular airgram of November 4, 1949, 8:20 a. m. Action being taken was generally forecast in reference circular airgram above.

The extension of the R procedure to new destinations has been under consideration for some months. This action has been taken to meet the following objectives: (1) To avoid the export to China and other Com-

munist dominated Far Eastern countries of all strategic commodities controlled to Eastern Europe for other than normal civilian uses, and (2) to provide for preshipment screening of such commodities to all likely transshipment points to the Soviet orbit. The expansion of country group R now provides security control for all areas bounding the Communist bloc as a whole and for all areas which have normally been dominant transshipment points or which, because of their location along world trade routes normal to trade from the US to the enlarged Communist bloc make them potential transshipment points. The Western hemisphere has been excepted from the R procedure primarily for the following reasons:

(1) There is little normal ocean traffic from the US to the rest of the world via these destinations.
(2) The American Republics are very close to the US economically.
(3) The US Government is better informed about commercial activity in the American Republics than in other areas of the world.
(4) US business has many more contacts there than elsewhere, thus providing channels for trade information.
(5) US trade has a larger stake in these markets than in any other area, except Europe, and would be definitely inclined not to endanger that stake by permitting transshipment.

While these reasons have led to the current exception of the Western Hemisphere, consideration is being given to the later inclusion of all Western Hemisphere destinations, except Canada.

The expansion of the country Group R means that for all commodities on the U.S. Positive List (Part 399 of Comprehensive Export Schedule No. 27) which are designated for control to R countries only, effective March 20 are controlled to the expanded country Group R. This action in no way affects the control of commodities currently controlled to RO destinations.

An analysis of US exports to determine the maximum percentage of US export trade which will hereby be subjected to control, based on third quarter 1949 trade figures, indicates that no more than 5% of uncontrolled trade would be subjected to control by this action. During the third quarter, 21% of total value of US exports was subjected to control. The increase thus represents a 25% increase in the trade subjected to control.

The Office of International Trade believes that the increased license applications intake which will result can be controlled without an appreciable decrease in the time required to process run of the mine applications. At present, 90% of all applications are processed within five working days of receipt by OIT and 94% within ten days of receipt. The impact on licensing personnel is further decreased by the announcement to be made on March 9 of the decontrol of approximately 60 steel commodities. It is expected that the combined result

of these two actions will lead to a net increase in applications not in excess of 15% of the current load.

This is background information which Missions may utilize at their discretion in discussion with government to which accredited. [State and Commerce.]

ACHESON

462A.0031/3-3150 : Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfort [1]

SECRET WASHINGTON, March 31, 1950—8 p. m.

2214. Re Ger 1-B problem. It has been long-term objective of US to raise members of Paris Consultative Group to Ger level re 1-B controls, rather than reduce all to lowest common denominator as suggested OSR's 1030, Feb 21, rptd Frankfort Repto 128, London, Repto 164.[2] US believes Ger problem must be resolved through positive approach, i.e., expediting formation 1-B mechanism within Paris Group. While this entails temporary discrimination vs Ger, period this discrmination shld be short. Discussion formulation procedures for implementing Internatl List II (limitative control) began in CoCom Paris Mar 30. US will propose specific mechanisms for control List II items and will also propose addition to List II of maximum possible number items on US 1-B list. Proposal developed by CoCom will be presented next plenary mtg Consultative Group on May 10, and acceptance, modification or rejection PCG's shld be known sometime thereafter. If PCG's shld reject comprehensive limitative controls, Ger situation wld be re-examined immediately with view to reducing discrimination vs Ger. Meanwhile Ger cooperation in applying 1-B controls shld be used to advantage in Paris Group and Ger representatives shld be urged to press for uniformity of action, at Ger level, by all participants.

It shld be noted application 1-B controls in Ger has been very lax compared to US standards, e.g., in 1949, out of $22,000,000 worth of export licenses applied for in US for 1-B goods to Soviet bloc, only $771,000 were approved; Frankfort despatch # 284, Feb 24, indicates that out of $14,000,000 worth of export applications applied for in Jan. 1950, for goods to same countries, only $2,000,000 worth was denied. Presumably the denials were 1-B goods also, but it is even possible that 1-A denials were included. This is not the degree of control the US expected in Ger and may obtain eventually from Paris Group participants.

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[1] This telegram, which had the concurrence of the Economic Cooperation Administration and the Department of Commerce, was repeated to Paris as 1420 and to London as 1457.

[2] Not printed.

Dept realizes political situation in Ger needs be considered in specific cases. In order expedite procedure, a general instruction is being drafted within which HICOG cld operate without referring each case to Wash. Detailed monthly reports on approvals and denials wld serve purpose of informing Wash actions taken and serve as basis advise HICOG if overall direction of controls seems wrong. This instruction will not be for purpose lessening stringency Ger controls, but only permit authorities on spot approve special cases while denying others within the limitative concept. This instruction, plus detailed info re US experience in handling 1–B items, will be sent HICOG soonest.[3]

ACHESON

[3] The instruction under reference here was subsequently sent as instruction 241, May 15, to Frankfort, not printed (462A.0031/5–1550).

450.6031/3–950 : Telegram

The Secretary of State to the Embassy in France

SECRET WASHINGTON, April 13, 1950—7 p. m.

1627. Dept and ECA concur in your recommendation Para 1 urtel 1631, Apr 7 that emphasis in approaches Fr Govt shld be on I–A Internatl List III items.[1]

Dept and ECA do not agree that problems raised urtel also involve question whether ECA financing wld generally be denied where adequate safeguards against exports strategic items not established by PC's concerned. This Govt's policy on question recovery western Eur and control strategic exports Soviet Union and satellites was set forth in Torep 816, Aug 27, 1948.[2] These principles remain basis US policy. Deptels 1329 and 1477 [3] consistent these principles and point out that security considerations and economic hardship are factors in determining US position on particular items in negots other govts. There is no intention to use threat withholding ECA aid to force acquiescence Eur Govts in US policies on export controls or particular strategic

[1] Paragraph 1 of the telegram under reference here, not printed, proposed that seamless pipe and tubing, included in American 1–A List (embargo) and on International List III, be included in further approaches to the French Government regarding the export to Eastern Europe of ECA-financed strategic items. The telegram went on to suggest that the time had come for a careful reexamination of the relationship between the control of the export of strategic items and ECA financing. It suggested that all ECA programming and procurement be screened for possible East-West trade implications. ECA financing could generally be denied in those cases where adequate safeguards against the export of strategic items had not been established by the participating country concerned (450.6031/4–750).

[2] *Foreign Relations*, 1948, vol. IV, p. 564.

[3] Dated March 27 and April 4, respectively, neither printed; they were concerned with negotiations in the Coordinating Committee for addition of specific items to International List I (840.00R/3–2550 and 450.6031/3–2950).

items, for US policy in long run will be infinitely more effective if based on spirit and principle cooperation and common recognition of dangers in development military potential Soviet Union and satellites.

It is our understanding that this has consistently been position of OSR since initiation of program. State and ECA do not understand change in position reflected in urtel.

ACHESON

Editorial Note

In accordance with an exchange of correspondence of January 30 and February 7, 1950, between Under Secretary of State James E. Webb and William C. Foster, Deputy Administrator of the Economic Cooperation Administration, certain East-West trade control responsibilities previously performed by the Economic Cooperation Administration were transferred to the Department of State, effective March 1, 1950, in Washington and April 15 in overseas diplomatic missions. As of April 24, the major responsibilities for East-West trade control matters, including all negotiations and representation in the Consultative Group and Coordinating Committee were transferred from the Office of the Special Representative in Europe for the Economic Cooperation Administration to the newly established Trade Problems Staff within the Embassy in France. Charles E. Bohlen, the Minister in France, exercised general direction over the Trade Problems Staff and served as United States Representative on the Consultative Group. Nat B. King, First Secretary in the Embassy in France, was directly in charge of Trade Problems Staff activities and served as United States Representative on the Coordinating Committee. Documentation on the transfer of East-West trade responsibilities to the Department of State is included in the Department of State's Central Files under file number 460.5031.

S/S–NSC Files : Lot 63 D 351 : NSC 69 Series [1]

The Secretary of Commerce (Sawyer) to the Executive Secretary of the National Security Council (Lay) [2]

TOP SECRET WASHINGTON, April 25, 1950.

MY DEAR MR. SECRETARY: I am attaching herewith a memorandum addressed to the National Security Council and request that it be given very prompt attention.

The matter discussed in the memorandum lies at the very heart of our export control policy. For many months we have urged the need for bringing Western European countries into line with our embargo and restrictions. This has not been accomplished. The beneficiaries have been Russia and manufacturers in Western Europe and the United Kingdom. The sufferers have been American manufacturers and anti-Communist security.

This question is to be explored extensively at meetings early in May, both in Paris, by the Paris Advisory Group, and in London, by U.S. and U.K. representatives. It has been suggested that no instructions go from here until these meetings have taken place. My feeling is that the instructions should go before the meetings take place. If the result of these meetings conforms to the instructions, no harm has been done. If the result of the meetings is contrary to what the instructions would have been, it will be more difficult and certainly more embarrassing to secure a reversal of the decisions arrived at.

Very sincerely, CHARLES SAWYER

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[1] Lot 63 D 351 is a serial master file of the National Security Council documents and correspondence and related Department of State memoranda for the years 1947–1961, as maintained by the Executive Secretariat of the Department of State.

[2] This letter and the enclosed memorandum were circulated to the members of the National Security Council as document NSC 69, April 26, 1950, entitled "A Report to the National Security Council by the Secretary of Commerce on Export Controls and Security Policy." NSC 69 was circulated to the Council under cover of a note of April 26 by Executive Secretary Lay, not printed, indicating that the report had been placed on the agenda of the next regularly scheduled Council meeting on May 4. At the direction of the President, the Economic Cooperation Administrator had been requested to participate in the Council's consideration of the matter in addition to the Secretary of the Treasury and the Secretary of Commerce.

[Enclosure]

Memorandum by the Secretary of Commerce (Sawyer) to the National Security Council[3]

TOP SECRET WASHINGTON, April 25, 1950.

Subject: Export Controls and Security Policy

The United States has reached a critical point in the use of export control powers in the interests of the national security, as a consequence of our inability to persuade the nations of Western Europe to adopt a standard of control as strict as that applied by the United States. The root of the problem is the conflict between the security advantages and the economic cost of export controls.

The National Security Council accordingly is asked to take note of the following:

1. The signatory nations of the North Atlantic Pact can, by a common policy of embargo or strict limitation on the export of certain types of goods to Eastern Europe, materially limit over a period of years the war potential of the Soviet Orbit.

2. The United States for two years has strictly limited its exports of strategic goods to Eastern Europe; this policy has retarded significantly the advancement in the war potential of the Soviet Orbit, and at the same time it has caused a 60% reduction in U.S. exports to Eastern Europe.

3. U.S. negotiations with Western European countries have not persuaded those countries to adopt controls which cut their exports of strategic goods to the Soviet Orbit as deeply or as broadly as the cuts which have been made effective by the United States; in particular, Western European countries have not accepted U.S. standards of control for highly strategic categories on the U.S. 1A List, such as diesel engines, ball bearings, and precision instruments, and have accepted only a very few of the items on the U.S. 1B List.

4. The Western European countries have been reluctant to accept export controls comparable to the U.S. controls because they feel that this action would reduce their trade with Eastern Europe to a point that would impede their recovery. There is also a disagreement within the U.S. Agencies as to the relative weights that should be given to security as compared with recovery objectives. This conflict also seriously affects U.S. policies in Germany and Japan, and the development of a firm U.S. policy toward Communist China.

5. If the present gap continues between U.S. and Western European export control standards it is impossible to control adequately the flow of strategic goods to the Soviet Orbit. To continue a differential stand-

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[3] The S/S–NSC Files, Lot 63 D 351, NSC 69 Series, includes a copy of a 14-page memorandum (with 12 pages of appendices) from the Secretary of Commerce to the National Security Council, dated May 2, and entitled "Supplementary Statement on Export Controls and Security Policy" which the Secretary apparently left at the Council at its May 4 meeting. The same files also include a virtually identical memorandum dated May 2 and labeled "Memorandum for the Secretary." A handwritten notation on the second memorandum indicates that it was left with the Council on the morning of May 4.

ard of control, as between the U.S. and Western Europe, would unduly encourage the selective expansion of strategic industries in Western Europe and would also discriminate unjustifiably against U.S. producers of export goods.

The above situation seriously threatens the national interest. Strengthened efforts should be made to avoid significant contributions to Soviet Bloc war potential, and to lessen the economic dependence of Western Europe on Eastern Europe. Various events have made the military threat from the Soviet Bloc more dangerous since initial U.S. policy on the control of exports for security purposes was established in March 1948. The volume of East-West trade required for recovery is much less than estimated at that time, as evidenced by the recovery achieved with a much lower volume of East-West trade than anticipated. Under present circumstances the potential cost of export controls for security purposes is less than that expected when the previous assessment was made, while the strategic advantage to the Soviet Bloc is greater. Accordingly, the Department of Commerce recommends to the National Security Council:

1. That the National Security Council decide that the United States should make an unequivocal effort to convince the countries of Western Europe that they should bring their control of exports for security purposes to as restrictive a basis as that currently employed by the United States, regardless of the trade losses which might be incurred.
2. That negotiations to achieve this objective should proceed at the highest level, including a presentation by the United States in the forthcoming meeting of U.S.-U.K.-French Foreign Ministers.[4]
3. That all U.S. exports of strategic items to Western Europe, including those under MDAP and ECA, should be screened for East-West trade implications and that the information developed, where relevant, should be used to convince the countries of Western Europe to adopt security controls parallel to those of the United States. In some instances, this may require the delay of U.S. exports of a strategic item to a Western European country where that country would not agree to security controls over that or related items.
4. That the National Security Council give recognition to the injustice of export restrictions on American business which are not being applied to Western European competitors, even though the reasons for restriction are equally valid.

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[4] Secretary of State Acheson was scheduled to meet with British Foreign Secretary Bevin and French Foreign Minister Schuman in London in the second week of May to discuss a wide range of global issues. Acheson, Bevin, and Schuman were also to head their respective delegations at the Fourth Session of the North Atlantic Treaty Council to be held in London beginning May 15.

500-421—80——7

450.6031/4-2650 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

SECRET PARIS, April 26, 1950—3 p. m.

1917. Excon. 1. CoCom transit trade meetings held April 18, 20, 21, 24. Belgium, Canada, Denmark, France, Germany, Italy, Luxembourg, Norway, UK, US participated in most meetings.

2. Recommendations to governments were: [1]

a. Each participating country should consider various practical methods suggested by customs experts to insure source countries that security goods reach authorized destinations and should adopt most efficient method.

b. Compile list of countries where diversion most likely to occur and carefully consider shipments thereto.

c. Consideration be given to exchanging information with other participating countries concerning suspect firms and individuals.

d. Participating countries should agree to receive information from other participating countries concerning despatch of security goods to own territory, and in exceptional cases should pass back information about movement of such goods in transit through their territory.

e. Further consideration be given to possible methods by which exporting countries should notify transit countries of despatch of security goods in transit through their territory.

3. US proposal regarding action by participating country to prevent unauthorized movement in-transit shipment when evidence of diversion uncovered not thought possible or practical by other delegations. US delegation reserved right reopen this subject.

4. Agreed subcommittee (consisting Denmark, Germany, US and any other interested participating country) will meet soonest to discuss and propose mutually acceptable controls on free ports, free zones, bonded and free warehouses with understanding any participating country not now possessing such facilities will advise CoCom of intention establishing such facilities and consult with it on security controls. Subcommittee meeting tentatively set May 8. Guinance of Commerce plans attend.

5. CoCom will discuss above proposals further July 10.

6. CoCom report on above transit trade meetings and US comment will be airpouched shortly.

BRUCE

[1] The substance of the Coordinating Committee recommendations reported upon here were contained in a circular airgram sent to all the missions in Europe on April 28, not printed.

450.6031/4-2650

The Secretary of State to Certain Diplomatic Offices [1]

SECRET WASHINGTON, April 26, 1950.

SIRS: There are transmitted herewith a summary account of recent meetings held in Paris by the countries cooperating with the United States in the application of security controls over exports to Eastern Europe, as well as certain documents relating to the meetings.[2] This report may be of assistance to the mission in understanding the nature of the security trade controls now in effect in the United States and Western Europe. Examination of this report will illustrate also some of the practical difficulties encountered by this Government in developing, by its own action and the parallel actions of other like-minded governments, an effective program for the control of strategic commodity exports to the Soviet sphere.

The present system of controls over exports to Eastern Europe is considerably more advanced in the United States than in countries of Western Europe. As indicated by the results of the Paris meetings, there has been slow but steady progress toward a full western embargo of the most strategic exports to Eastern Europe. Now, or in the immediate future, these controls will approximate in scope our own 1–A list. The question of limitative controls over 1–B goods has been introduced, but has not been discussed in more than rudimentary fashion by the cooperating group. It is clear that a more extensive system of controls, namely, those designed to affect not merely the development but the present operation of eastern economics, is not a practical possibility until at least the cooperating countries agree upon an effective program for limitative control of exports in categories of general industrial goods that would be roughly comparable to our own restrictions over commodities on the 1B list. Experience to date would seem to indicate that the developmnt of such a joint program in the near future is likely to depend, not only upon United States policy decisions, but also upon the response of Western European countries to the economic dilemma of East-West trade. On the other hand, experience to date has also shown that Western European countries have made and are making considerable progress in formulating a joint program of control over exports to Eastern Europe of goods that have a clear-cut strategic and military significance, even when the imposition of such controls involves to some extent the sacrifice of national trade interests.

As the mission is aware, the economic security program of the United States since March 1948 has involved both (1) our own system

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[1] This circular instruction was sent to the Embassies in Belgrade, Helsinki, Moscow, Praha, and Warsaw and to the Legations in Bucharest and Budapest.

[2] None of the documents under reference here are printed. Regarding the meetings of the Consultative Group in Paris in January 1950, see telegrams Repto 212, January 13, and Repto 325, January 18, both from Paris, pp. 67 and 69.

of export licensing controls and (2) our negotiations with Western European countries for parallel controls over their own exports, in so far as these countries have been prepared to put such controls in effect.

Prior to March 1948, individual validated licenses were required in the United States for the export of short supply commodities to all destinations. Beginning March 1, 1948, individual licenses were required for the export of all commodities to European destinations. The intention of this arrangement, the so-called "R Procedure", was to permit the screening of strategic exports to Eastern Europe. To assist in the fulfillment of this objective, a 1–A list of items to be embargoed and a 1–B list of items whose export should be severely restricted were developed. A "GRO" list of items which would be exported on general license without requiring an individual validated license was also gradually enlarged.

In August 1949, the system was revised to require individual export licenses only for a specific list of items published in the Positive List, all other commodities being freely exportable under general license. The Positive List includes, without of course specifically identifying them, the items on the 1–A and 1–B lists, as well as a few remaining short supply items and some items formerly classified strategically as Class 2. The latter are being reviewed with the intention that they shall either be eliminated from the Positive List or retained on the list with a higher strategic classification of 1–B. All 1–A items and short supply items require licenses for shipment to all destinations. Categories containing 1–B items generally require licenses for shipment to the "R" area only, which has now been extended to include all destinations outside the Western Hemisphere.

The United States 1–A list (see enclosure [3]) as presently defined includes some 167 items which fall into one of the following categories:

(*a*) Materials or equipment which are designed or used principally for the production and/or development of arms, ammunition and implements of war.

(*b*) Materials or equipment which would contribute significantly to the war potential of the Soviet bloc where the items incorporate advanced technology or unique technological know-how. It applies only to goods sufficiently important to the war potential of the Soviet bloc that the absence of an embargo would permit a significant advance in Soviet bloc technology over its present level of development.

(*c*) Materials or equipment which would contribute significantly to the war potential of the Soviet bloc in that the items, if embargoed, would maintain or create a critical deficiency in the war potential of the Soviet bloc.

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[3] Not printed. List 1–A of January 1950 included 40 items of metalworking machinery; 15 petroleum and petroleum equipment items; 1 coal equipment item; 4 items of transportation equipment; 6 steel mill products; 12 nonferrous metals; 31 chemicals and chemical equipment items; 42 precision, scientific, and electronic equipment items; and 16 miscellaneous items.

Goods on the Munitions List (Presidential Proclamation 2776 [4]) are also considered 1–A for control purposes. The United States 1–B list (see enclosure 2 [5]) consists of some 300 items and includes materials and equipment which, if shipped in substantial quantities, may contribute to the war potential of the Soviet bloc to so great an extent that only reasonably small quantities of such material or equipment should be permitted to move to the Soviet bloc.

As the Mission is also aware, United States efforts to reach agreement on parallel export control policies, with the countries of Western Europe, were initiated in implementation of section 117(*d*) of the Economic Recovery Act. The establishment of parallel controls was believed to be a more practicable method of carrying out the intent of this section than complete reliance on end-use check of Economic Cooperation Administration financed materials. During 1948 and much of 1949, this program was carried forward by means of bilateral negotiations between the United States and OEEC countries, and within a relatively short period agreement was reached in principle with all OEEC producers of strategic commodities except Sweden and Switzerland. These latter countries apply certain restrictions over exports to Eastern Europe, but have preferred to maintain their own system of security controls.

In the latter part of 1949, these bilateral negotiations between the United States and the various OEEC countries were supplanted by multilateral negotiations among all western countries cooperating on security controls. Joint economic discussions of this type have been logically, although not in any way formally, related to intergovernmental discussions on western security and defense problems during this same year. It had become apparent, also, that individual countries were reluctant to embargo the export of specific items to Eastern Europe unless they received adequate assurance that other OEEC countries were enforcing a similar export embargo. For this purpose, it was necessary to have consultation among all countries concerned and multilateral agreement on the exact details of the whole security control program. Consultation, as in the October 1949 meeting in Paris,[6] was at first on an informal basis and without the participation of the United States. At this time, the consultation among Euro-

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[4] On March 26, 1948, President Truman issued Proclamation No. 2776 redefining and expanding export controls over arms, ammunition, and implements of war. For the text, see 13 *Federal Register* 1623.

[5] Not printed; it indicated the items on List 1–B as of February 1, 1950.

[6] Representatives from Belgium, France, Italy, the Netherlands, the United Kingdom, and the United States met in Paris from October 12 to 14 to review in detail those export commodities currently controlled by the countries represented and to seek agreement on a common security export control policy. The meetings of these representatives, later known as the Consultative Group, was reported upon in telegram Repto 6884, October 15, 1949, from Paris; for text, see *Foreign Relations*, 1949, vol. v, p. 150.

pean countries had focused on a specific "Anglo-French" list,[7] proposed for joint embargo, and the United States was invited to participate in further discussion of the list during November.[8] At the November 1949 and again at the January 1950 meetings, cooperating countries have continued to formulate the specific content and the specific methods of implementing our joint security program, as indicated below:

Organization of the group—The November meeting was attended by representatives of Belgium, France, Italy, The Netherlands, the United Kingdom, and the United States, with Danish and Norwegian observers in attendance. The January meeting was attended by representatives from these countries and also by Danish, Norwegian and Canadian representatives. An observer from the United States High Commissioner's Office in Western Germany was also in the United States delegation. At the end of the November meeting, the recommendation went forward to the Governments concerned that their representatives should continue to meet, as an advisory group, to consider matters arising from an agreed policy of security trade controls and to provide for the exchange of whatever information would be necessary to this end. The January meeting recommended that expert representatives of the group should remain continuously in Paris for implementation of security controls, and that the heads of delegations should meet quarterly to consider matters of policy.

Implementation of Controls—After the November meeting, the heads of delegations recommended to their Governments that an embargo be placed on exports to Eastern Europe of items included in the specific list under discussion. At the January meeting, the delegates of Belgium, Canada, France, Italy, The Netherlands, Norway and the United States reported that their Governments were prepared to put into immediate application the recommended embargo list, in so far as this was not already being done. A similar assurance was given by the United Kingdom on the understanding that the restrictions would be applied equally by all Participating Countries.

The Embargo List—Preparation of the embargo list has involved numerous technical discussions, relating the commodity definitions of the United States 1–A list to the European trade classifications of the Anglo-French list. The United States has also requested the addition of many 1–A items to the A–F list. On the other hand, some categories of the A–F list are more inclusive than the U.S. 1–A list, or represent U.S. 1–B items. Depending upon the outcome of further negotiations,

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[7] During the meetings referred to in footnote 6, above, British and French Representatives introduced an "Anglo-French list" of exports subject to security control.

[8] Regarding the meetings under reference here, see footnotes 2 and 3, p. 67.

adoption of the A–F list as it now stands may require additions to the U.S. 1–A list.

Negotiation of the agreed embargo list in both the November and January meetings has proceeded by stages:

1. When agreement was reached that an item should be placed under export embargo by all cooperating countries, the item was included in List I.
2. When it was agreed that the item has significant strategic importance, but not all countries were prepared to place it under export embargo, the item was placed in List II (for quantitative control). The countries then agreed to restrict their exports to Eastern Europe to quantities considered reasonable and to pool information on their exports of these items, as a safeguard against excessive exports in the aggregate of items appearing on List II.
3. When negotiations did not result in complete agreement among cooperating countries on the treatment of a specific item, it was placed in List III, for further consideration by the group. After additional study, it was to be incorporated in List I or List II, or to be redefined.

The United States 1–A list now contains 167 items.* The A–F list, as revised, is not directly comparable to the U.S. 1–A list in numbers of items, without considerable analysis. At the present time, the coverage of the A–F list, including Lists I, II, and III and the items still under discussion, approximates the coverage of the U.S. 1–A list. However, until all items under discussion (List III and others) or subject to quantitative controls (List II) are placed in List I, it cannot be said that the trade controls to which cooperating countries are now committed are as broad or as severe as the U.S. controls over all 1–A items. Progress in the development of identical controls is, however, very substantial.

At the November meeting, cooperating countries discussed 143 items, recommended 128 items for List I,† one item for List II, and reserved for further discussion the remaining 14 items. At that time, the United States proposed that 35 additional items be included in List I. At the January meeting cooperating countries discussed a total of 177 items, plus the general categories of electronics and chemicals equipment. At the conclusion of this meeting, List I had been increased to 144 items (by the addition of 12 items from the U.S. proposal, and 6 items from List III, while 2 items were down-graded from List I to List II); List II was expanded to 6 items (by transfers from List III of the November meeting); and List III now totalled 27 items (4 carried

*The original A–F list did not include many 1–A items in the categories of electronics and chemical equipment, as well as about 40 other commodities on the U.S. 1–A list. The A–F list, even at the present time, includes items that are on the U.S. Munitions List and on the 1–B list; has counted one category of the U.S. 1–A list as 10 individual items; and has counted as one item 11 categories of the U.S. 1–A list. [Footnote in the source text.]

†Counting armaments machinery as 10 separate items, according to U.S. 1–A definition. [Footnote in the source text.]

over from the November meeting and 23 of the U.S. proposed additions). Further technical discussion of electronics and chemical equipment items was scheduled for a special intergovernmental meeting, originally set for February, and now to be in March and April.

Transit Trade—At the November meeting, delegates agreed to recommend to their Governments the formulation of a system of security controls over goods in transit. Suggested were (1) investigation of the final destination of strategic goods by the exporting country prior to issuance of an export license, and (2) exchange of information within the group on the movement of security items in transit through each of the countries concerned. It was recognized that supervision of security goods in transit would need to apply not only to commodity movements through member countries, and through free zones and free ports, but also, by some informal arrangement, to movements through Sweden, Switzerland, and any other countries that might be concerned.

Prior to the January meeting, these recommendations generally were accepted by member governments as the basis for further study of the transit problem. At the January meeting, Belgian and United States representatives presented their own proposals on supervision of transit trade, but delegates from other countries indicated their need for further time to study these proposals.

Special Problem Areas—Discussion at these meetings gave recognition to the fact that certain countries represented special problems in the formulation and implementation of a security control program. As noted above, mention of Sweden and Switzerland entered into discussion of transit trade. However, the delegates at the January meeting also stressed the importance of obtaining assurance that Sweden and Switzerland would themselves take parallel action on any embargo list, in as much as these countries are important suppliers of many items figuring on the list.

A representative of the United States High Commissioner circulated among the delegates a statement on the current status of export controls in Western Germany. The delegates to the January meeting emphasized that these controls should be fully coordinated with those applied by other Western European countries, not only because Germany is a large producer of security items but because of the special difficulties introduced by the existence of an inter-zonal trade.

With reference to Finland and Yugoslavia, the United States delegates indicated the nature of our own export policies which permit exports of 1–A items to these countries under certain conditions. At the January meeting, the United States delegates recommended that cooperating countries coordinate their policies on permitted exceptions for Finland and Yugoslavia. The United States suggested that the proposed Consultative Group be used as a means of developing parallel policies and exchanging information on trade with Yugoslavia and

Finland. The Group might also be used for the purpose of group consultation before final approval is given by any one country for exports in some important categories of goods.[9]

Topics for Further Discussion—The coordinating committee commenced meeting in Paris in February. It will continue to discuss the matters raised in the January meeting of the Consultative Group, and will work toward a further meeting of that Group perhaps in April. It will, of course, be necessary to continue discussion of details heretofore unresolved including, as indicated above, (1) the organization of the Group, (2) the specific items on the embargo list, (3) methods of controlling transit trade and (4) coordination of treatment accorded Yugoslavia and Finland. In addition, the United States representative proposed that the U.S. 1–B list be used as a basis for further study and discussion by the Group, looking toward the establishment of limitative controls over additional items. The United States representative also circulated a statement concerning the procedure now in force in the U.S. for controlling the export of technological know-how and information. The January meeting did not discuss security controls over exports to China.

The foregoing has indicated that many problems remain unresolved in the formulation of a joint security program. In the Department's view, however, these multilateral discussions have made real progress to date and it can now be stated that Western European trade security programs in general form an important adjunct to our own program.

Very truly yours,

For the Secretary of State:
WINTHROP G. BROWN
Director, Office of International Trade Policy

[9] Regarding Coordinating Committee decisions with respect to Yugoslavia and Finland, see footnotes 6 and 7, pp. 70 and 71.

450.6031/4–2850 : Telegram

The Secretary of State to the Embassy in the United Kingdom[1]

TOP SECRET PRIORITY WASHINGTON, April 28, 1950—7 p. m.

Tosec 36.[2] 1. Commerce Dept has submitted memo to NSC raising basic issues of East-West trade policy.[3] NSC will discuss problem on May 4 with ECA participating.

[1] This message was repeated to Paris as 1898.

[2] The use of the Tosec series indicator here indicates that this telegram was directed to the United States Delegation which was in London for a series of preliminary meetings with British and French officials, April 24–May 5, in preparation for the forthcoming Tripartite (U.S.-U.K.-French) Foreign Ministers Meetings, May 11–13. For documentation on those meetings, see vol. III, pp. 828 ff.

[3] See Secretary of Commerce Sawyer's letter of April 25 to National Security Council Executive Secretary Lay and the memorandum enclosed thereto, p. 83.

2. Commerce memo directed generally toward forcing tough line in 1–B negots, including sanctions involving withholding of ERP and MDAP assistance. It includes fol specific recommendations: (*a*) US shld make unequivocal effort to convince countries of Western Europe that they shld bring their control of exports, for security purposes, under basis as restrictive as are currently employed by US regardless of trade losses which might be incurred; (*b*) negots to achieve this objective shld proceed at highest level including presentation by US in FM mtg; (*c*) US exports of strategic items to Western Europe, including those under MDAP and ECA, shld be screened for East-West trade implications and that info developed, where relevant, shld be used to convince countries of Western Europe to adopt security controls parallel to those of US. In some instances, this may require delay of US exports of a strategic item to Western European country where that country wld not agree to security controls over that or related items; (*d*) that NSC give recognition to injustice of export restrictions on Amer business which are not being applied to Western European competitors, even though reasons for restriction are equally valid.

3. We propose to emphasize fol in our position: (*a*) that ECA and State as negotiating agencies, acting through OSR, up to point of takeover and State, since it has assumed full responsibility, have made and will continue to make strong effort to obtain parallel action by countries of Western Europe. This effort to date has had good measure of success with achievement of substantial agreement on embargo list, progress on transshipment and establishment of machinery to handle problems on multilateral basis. We will press forward vigorously on 1–B negots, major outstanding problem, but questions of negotiating tactics must be left to responsible negotiating agency; (*b*) with respect to withholding of exports of MDAP and ECA items to Western Europe in order to obtain parallel action, this is question of best negotiating technique to persuade other govts to accept an agreed US position. It is our view that best negotiating approach to use with our partners in the NATO is to appeal to the common security interests of the North Atlantic area rather than to threaten or to carry out a denial of essential mil or econ assistance. If cooperation of Europeans is unwilling, enforcement of controls will be negligent and ineffective; (*c*) Secy intends to explore with Brit and Fr FonMin and with NAT Council all aspects of cold war, including in genl terms essentiality of joint security restrictions on trade with the Soviet bloc. He does not intend, however, to supersede or undercut negots which are now being pressed vigorously in Paris through Consultative Group and Coordinating Comite and directly with key countries on this subject; (*d*) in view of much greater importance East-West trade to Western Europe than US and significance to success of ERP it is

essential to maintain at this time long-estabd principle that US controls may have to be more restrictive than Western European; (*e*) Dept believes that changes in cold war and in European recovery picture since NSC last reviewed problem of East-West trade controls may justify new appraisal of US policy in this field and suggests that NSC direct its staff to initiate necessary factual studies which will be required to make this appraisal effective. Data required include basis for current appraisal of importance of East-West trade to European recovery, impact of controls on EE, Soviet intentions with respect to trade, reaction other govts after full discussion to US 1–B program, etc.

4. Your views urgently requested on above in light your discussions this subject with Brit? Wld like views Emb Paris also and they may wish discuss para 3(*b*) with OSR.

ACHESON

450.6031/5–150 : Telegram

The Ambassador in the United Kingdom (Douglas) to the Secretary of State

TOP SECRET NIACT LONDON, May 1, 1950—8 p. m.

2363. Reference Tosec 36 April 28 repeated Paris 1898.[1]

1. Ambassador Jessup, Bohlen and Bonesteel[2] concur in this message.

2. Irrespective desirability extending east-west strategic export controls, I am seriously concerned over underlying philosophy Commerce memo, and strongly convinced any US attempt dragoon European partners into reluctantly paralleling US strategic trade controls would seriously jeopardize our efforts attain real unity in political, military, economic fields based upon mutually agreed definition of aims and determination best means to reach them. I believe such US effort would fail and hamper present attempts tighten up western European controls within attainable limits. This most inappropriate time to take unilateral line on what must realistically be considered a secondary issue. If US should suddenly drop previous approach outlined Repto [*Torep*] 816, August 27, 1948[3] and inject much stronger line into FonMin and NAT meetings on this issue, success meetings might be jeopardized. Furthermore, strong new US line with implications to Europeans of embarking on aggressive economic warfare, if pushed

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[1] *Supra.*

[2] The Ambassador in the United Kingdom Lewis E. Douglas, Ambassador at Large Philip C. Jessup, Minister in the Embassy in France Charles E. Bohlen, and Lt. Col. Charles H. Bonesteel, Executive Director, European Coordinating Committee, Mutual Defense Assistance Program, were members of the United States Delegation at the conversations in London with British and French officials preliminary to the Tripartite Foreign Ministers Meetings, May 11–13.

[3] *Foreign Relations*, 1948, vol. IV, p. 564.

at this particular time, might encourage rather than discourage feeling among certain groups in NAT countries whose active cooperation we endeavoring secure that attempt to create basis for "neutral" bloc preferable to tightening US-European partnership in opposition Soviet and satellites.

3. Whether justified or not, Europeans, especially British with general agreement French, feel that extension of controls proposed by US over 1B exports goes beyond strictly security considerations into field economic warfare (Paris Embtel 1838, April 21 repeated London 517). They are not prepared this time adopt criteria essential to latter type of action. Until this difference in approach reconciled and compromise reached, I agree with Paris, re specific issue 1B controls, that in absence tripartite agreement, CG or CoCom debates "would be useless and might even jeopardize US objectives". (Paris Embtel 1862, April 24 repeated London 523.) British attitude described Embtel 2128, April 19 repeated Paris 606 and Embtels 2328 and 2332 April 28 repeated Paris 679 and 681.[4]

4. Re use of "sanctions" involving withholding ERP and MDAP assistance, such action would threaten entire MDAP objective in order force through tangential strategic export control objective. Europeans would certainly resent and sense inconsistency of US actions which on one hand were aimed at recreating positive military and economic strength in Europe through ERP and MDAP–NAT while on other hand seriously disrupting these programs through the application of sanctions to attain a negative and perhaps tangential result. For example, ECC staff point out that prohibition export from US of single strategic items, such as engineer air compressors, might destroy balance of carefully planned end item programs and affect total military effectiveness of forces in being. The Russian menace to our national security can be met best by recreating a balance of relative military power which would reduce the possibilities of overt aggression, while maintaining economic health.

5. I feel that if Germany, particularly, not allowed trade with Eastern Europe, except in framework of full restrictive policy re 1B items, Germany will not be able "pay its own way" in foreseeable future and that more restrictions may, among other adverse results

[4] None of the telegrams under reference in this paragraph are printed. They reported on growing American-British differences in the Coordinating Committee on various aspects of the East-West trade control program, particularly on the problem of quantitative export controls (International List II) which the Committee was scheduled to take up on May 4 and May 10. The Embassies urged an immediate high-level American-British review of East-West trade policy. In the light of the comments from the Embassies in London and Paris, the Department of State instructed that discussions be held with British and French representatives aimed at achieving a greater measure of agreement on the problem of limitative controls. Regarding these meetings, held in Paris May 8 and 9, see Armstrong's undated memorandum, p. 116. The exchanges of messages leading to the convening of the meetings are included in the Department of State files under 450.6031.

aggravate, through chain reactions, unemployment in Germany which is already impressive thus creating attitude of mind ultimately more susceptible to blandishments of communism or alternatively less subservient to the imposed restrictions on both. (See Drew Middleton article page 2 *New York Times* international edition April 27.) More generally, West Europe may not be able maintain present economic leverage, such as it is, over Soviet and satellites.

6. It should also be noted that effectiveness adoption US controls over 1B items depend some extent on cooperation Sweden and Switzerland whose cooperation obtainable only by persuasion not by sanctions.

7. It is clear that even under present circumstances UK willing participate 1B controls on partial basis, i.e., willing transfer some items from US 1B list to complete international embargo list I, and willing as in past supply information on exports all other items so that subsequent review by CoCom of total quantities shipped could result in transferring at least temporarily additional items to embargo list. I stress again that British do not have closed mind such adjustments.

8. Reply to Ecato cirtel April 25,[5] will discuss extent 1B cutback on UK economy. Although for UK alone its total 1949 trade with EE approximated less than two percent of British foreign trade, effect drastic 1B export curtailment might encourage USSR, Poland and Czechoslovakia cut down shipments on annual basis of 1 million or more tons coarse grain, 400,000 standards softwood and 30,000 tons bacon. These all marginal goods whose embargo from EE for sterling might require alternative dollar purchases with consequent adverse effect on bridging dollar gap. More basically, however, UK convinced its present trade arrangements confer net advantage to west. These provide Czechoslovakia and Poland must export more than they import in order discharge sterling obligations and, since there is no formal UK/USSR trade agreement, require USSR use earned sterling within full limitations imposed by British export controls. Should be noted, incidentally, this trade pattern forces Poland and Czechoslovakia divert labor and raw materials to providing unrequited exports to UK which might otherwise be used to build up basic economic potentials those countries.

9. I am fully aware justified concern that West Europe's exports should not assist EE, on net balance, build up war potential while all NAT partners attempting strengthening military defenses and maintain present advantage over Soviet bloc in basic economic potential

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[5] Not printed. It asked for information on the likely impact upon Western European market outlets in Eastern Europe resulting from the expected imposition of quantitative export controls based on the American 1–B list (London Embassy Files, Lot 59 F 59, 500 Marshall Plan).

(FMDB–28*a*, April 20 [6]), but feel strongly US should approach this objective by persuasion, negotiation rather than duress, which, if even partially effective, would produce half-hearted cooperation and, on balance, do more harm than good. In cooperation with French and British, time can be expected strengthen rather than weaken our position.

10. I strongly support Department's position that NSC re-appraise US policy in this field and recommend German problem be given high priority. In this cable I have generally concentrated upon reasons for feeling that immediate adoption of a rigid, and in my view unworkable, unilateral line on 1B controls would be most unfortunate at this particular time regardless of ultimate desirability such approach. I hope in another cable to submit considerations which may be helpful to Department in its suggested re-appraisal of basic US policy in this field.

11. Pending complete re-examination of entire question, I assume that previous US policy will govern approach taken by our negotiators at US/UK talks on 1B controls prior May 8 meeting Paris, at tripartite discussions then, and finally at CG or CoCom meetings Paris May 25.

Sent Department 2363; repeated Paris 698 for Embassy and Harriman.

DOUGLAS

[6] Not printed.

450.6031/5–250 : Telegram

The Ambassador in the United Kingdom (Douglas) to the Secretary of State

TOP SECRET LONDON, May 2, 1950—5 p. m.

2377. Following are comments of Paris Embassy re Tosec 36 to London, repeated Paris 1898,[1] which was transmitted via London for Bohlen's conference:

1. Believe time ripe for top level survey US East-West trade policy in light of what has been accomplished to date and to chart course for future. Export controls, and particularly US export controls, are only one facet this problem. Other factors to be considered are:

(*a*) Importance (if it is important) of East-West trade to economies of Western Europe and Western world as well.

(*b*) Do USSR and satellites really want to trade with West? Comparatively few successful trade agreements negotiated in 1949 and 1950 between East and West at least raises this question.

[1] April 28, p. 93.

(*c*) If all trade between East and West were halted, or practically halted, what would be effect on West's need for strategic items from East?

(*d*) USSR and satellites are severally engaged in state trading. There are indications they are tending toward (probably already are) trading with West as a unit. As this will continue so long as present political situation exists in East, should West (1) consider trading with East as a unit, (2) seek entirely alternative source for imports formerly provided by East, or (3) consider both (1) and (2).

2. Commerce recommendation (*a*):

(1) This raises above considerations, particularly as it contemplates entire disregard trade loss, an apparent departure from present US policy.

(2) It is extremely doubtful whether there can ever be complete uniformity between US export controls and those of Western Europe because of different local conditions in each PC.

3. Agree with Commerce recommendation (*b*) that negotiations to further US policy, once determined, should proceed at highest level. We must face fact there is not enthusiasm for present US program by PCs.

4. As to Commerce recommendation (*c*), it seems clear overall US policy on East-West trade (including US position in ECA) should be coordinated with MDAP and ECA objectives.

5. With respect Commerce recommendation (*d*), relative importance East-West trade to US and to other PCs cannot be overlooked.

6. With respect State position:

(*a*) We are not so sanguine as to progress made on transshipment, and think limitations of CoCom as effective forum to enforce US policy must be recognized. In view London's 2328 to Department April 28, repeated Paris 679, and London's 2332 to Department, repeated Paris 681,[2] prospects 1–B negotiations are not rosy on present level of discussion.

(*b*) It might be that we have not reached limit of voluntary cooperation in our negotiations with PCs. It seems clear that up to present at least US concept of common security interests of the North Atlantic area and concepts of other PCs are not necessarily the same.

(*c*) Belief in importance entire US program (particularly complete adoption US 1–A and 1–B lists) not shared in Paris organization when basic policy differences arise should not be discounted.

(*d*) and (*e*). Agree.

7. Believe following should also be investigated in arriving at overall policy decision:

(*a*) Has US program and that of PC's, really affected Soviet war potential? Could it be that further controls would only bring diminishing returns not worthy of the effort?

(*b*) Are the methods we have used been the proper ones, e.g., US blanket embargo versus British selective controls of key items?

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[2] Neither printed; see footnote 4, p. 96.

8. Without attempting provide answers to above, Embassy believes entire situation should be reappraised, if for no other reason than to guide Department and Embassy in carrying out the East-West trade functions it has now assumed from OSR.

9. OSR submitting comments separately.[3]

DOUGLAS

[3] The Office of the Special Representative in Europe for the Economic Cooperation Administration (OSR) in April 1950 had been relieved of responsibilities for East-West trade control negotiations (see the editorial note, p. 82). In telegram Repsec 19, May 4, from Paris, not printed, OSR offered comments based on its experience in the field. OSR objected to the Department of Commerce's suggestions for more stringent multilateral controls but agreed that the National Security Council should reexamine East-West trade policy. OSR doubted that substantial new additions to current control agreements could be achieved in the Consultative Group under present American policy, and felt that an extension of controls was only possible by the use of high-level approaches (450.6031/5–450).

S/S–NSC Files: Lot 63 D 351: NSC 69 Series

Memorandum by the Acting Assistant Secretary of State for European Affairs (Thompson) to the Secretary of State [1]

TOP SECRET [WASHINGTON,] May 2, 1950.

Subject: NSC review of export controls and security policy

The Secretary of Commerce has submitted to the NSC a memorandum which proposes the possible use of strong pressure, including the withholding of ERP and MDAP assistance, in order to force the Western European countries to adopt security export controls as restrictive as those of the U.S. Commerce is under some pressure from American business to modify export control practices because U.S. controls, particularly on 1–B items are more restrictive than those currently applied in Europe. The Commerce Department's suggestion represents only the most recent of a series of efforts to lay down a negotiating line which, in the view of State and ECA, would be self-defeating. Aside from the use of sanctions, the Commerce memorandum proposes no new policy except for the abandonment of the principle laid down in Ambassador Harriman's original instructions that U.S. controls might have to be more restrictive than European since trade with Eastern Europe was more important to them than to us. Secretary Sawyer's covering letter indicates that he is somewhat confused as to the status of present negotiating instructions to our representatives in Paris.

Attached are the following papers:

1. The Commerce memorandum (Tab A). (NSC 69)[2]

[1] This memorandum was prepared in the Office of Regional Affairs, Bureau of European Affairs.

[2] The reference here is to Secretary of Commerce Sawyer's letter of April 25 to National Security Council Executive Secretary Lay and the enclosed memorandum of the same date, p. 83.

2. A suggested statement for your use at the NSC meeting on Thursday (Tab B).
3. A paper which you could propose as an NSC action on this subject (Tab C).
4. A more detailed comment on the Commerce memorandum (Tab D).[3]
5. Telegram No. 2363 from London giving the views of Ambassadors Douglas and Jessup and Minister Bohlen and Colonel Bonesteel on the Commerce memorandum (Tab E).[4]

The general position here outlined has been coordinated with ECA and Mr. Hoffman [5] is being briefed accordingly.

Tab B

Position Paper Prepared in the Department of State

TOP SECRET [WASHINGTON,] May 2, 1950.

Subject: Recommended Position for NSC Discussion of Export Controls and Security Policy

In the discussion by the NSC of export controls and security policy, it is recommended that you express the following position:

1. ECA and State, as the negotiating agencies, have to date succeeded in obtaining a very substantial measure of agreement on a joint program of security controls with our Western European allies. An embargo list has been agreed and put into effect which includes most of the items on the U.S. 1–A list as well as items defined as arms; there is agreement on arrangements to take care of the special cases of Yugoslavia and Finland; we are making progress on the difficult problem of transshipment to Eastern Europe; and effective machinery to handle these and other problems has been established on a multilateral basis with the setting up of the "Paris Consultative Group". These are significant accomplishments.

2. It has been possible to persuade the Western European countries to go this far down the painful road of controlling their exports primarily because they recognize a common interest in the security of the North Atlantic area and as our partners in the NAT. Threats of denial of essential military or economic assistance would not serve the purpose of advancing our mutual security. In recognition of this basic negotiating situation, Ambassador Harriman recommended that East-West trade discussions be taken out of the ERP context in which they were originally placed and that the security aspect be emphasized by having State take over responsibility. This has been done. We will

[3] Not printed.
[4] May 1, p. 95.
[5] Paul Hoffman, Economic Cooperation Administrator.

press these negotiations vigorously, as ECA has done in the past, but we must use our judgment as to the best bargaining tactics to pursue. We believe that solidarity with our Western European allies is a fundamental principle and that we must convince them of the soundness of our security export control policy on its merits. If their cooperation is given unwillingly as a result of threats of withholding aid, enforcement of their controls will be negligent and ineffective, thus undermining the practical value of the very substantial area of real agreement already achieved or in the process of being achieved.

3. The most important unresolved question concerns the 1–B items on which we propose that the quantities shipped to Soviet-dominated areas should be limited. Our representatives in Paris and London are now engaged under the direction of Mr. Charles Bohlen in an intensive effort to persuade the other members of the Consultative Group to bring their controls up to the U.S. level. Our basic instructions to the U.S. representatives on this matter take account of the views of the Commerce Department and other interested agencies. We think it would be useful to discuss the essentiality of joint security restrictions in connection with the contemplated review of all aspects of the Cold War at the Foreign Ministers' meetings and with the NAT Council. We must make our basic and continuing effort however in the agencies established to deal with these problems. This means that complete support for the staff under Bohlen in Paris which represents the U.S. in the Consultative Group is essential.

4. We believe a new appraisal by the NSC of the problem of East-West trade should be undertaken after we know the results of the Foreign Ministers' meetings and of the forthcoming Paris negotiations on 1–B controls. We will then be in a position to appraise the extent to which the Western Europeans are willing to go along with our present security control policy. This review should, of course, take account of changes in the Cold War and in the world economic situation since the NSC last reviewed the matter. The NSC should direct its staff to initiate the necessary factual studies. It is essential for the time being to maintain the long-established principle that U.S. controls may have to be more restrictive than Western European in view of the much greater importance economically to the latter of East-West trade.

Tab C

Paper Prepared in the Department of State

TOP SECRET [WASHINGTON, undated.]

Subject: Export Controls and Security Policy

1. Developments in the "cold war" and in the world economic situation since the National Security Council last reviewed the problems of

East-West Trade, justify a new appraisal of United States policy. Accordingly, the NSC staff is directed to undertake the factual studies which will be required to make this appraisal. The data required will include a basis for a current appraisal of the importance of East-West trade to European recovery, impact of present controls on Eastern Europe, Soviet intentions with respect to trade, the reaction of other governments to U.S. 1–B proposals after full discussion, the points raised by the Secretary of Commerce in NSC 69, etc.

2. The Department of State in its negotiations should meanwhile continue to make a vigorous effort to secure from the Western countries the greatest area of agreement possible in the adoption of controls over the items on the U.S. 1–A and 1–B lists.

3. For the time being, controls in the United States which are more restrictive than those of the Western European countries should be maintained.

4. The following steps will be taken as immediate measures to further United States objectives in this field:

(*a*) The Secretary of State will take the opportunity to emphasize the importance which the United States attaches to common action in the field of security export controls at forthcoming meetings with the Foreign Ministers of Great Britain and France and with the NAT Council.

(*b*) In all negotiations with our Western European allies on this subject, United States representatives will stress the importance of the common security interests of the nations of the North Atlantic area as the most effective means of obtaining action in this field.

396.1 LO/5–450 : Telegram

The Ambassador in the United Kingdom (Douglas) to the Secretary of State

SECRET LONDON, May 4, 1950—3 p. m.

Secto 122. Sectos 92 and 104 May 3.

1. Further mtg sub-group on Ger econ questions held at FonOff afternoon May 3.[1]

[Here follow four paragraphs reporting on the discussion of Berlin's economic problems.]

6. LEROY-BEAULIEU[2] again raised question East-West trade as relating to Ger (Secto 104) and expressed concern that Amer list

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[1] The meeting reported upon here was one of a series of trilateral (American-British-French) meetings held in London in preparation for the Tripartite Foreign Ministers meetings, May 11–13. For documentation on these meetings, see vol. III, pp. 828 ff.

[2] Paul Leroy Beaulieu, Financial Counselor of the French High Commissioner for Germany.

which US has imposed on Gers re exports to East more restrictive than Internatl list followed by other OEEC countries. STEVENS [3] said that before commenting on this observation, he wld like to speak in "broader perspective". Brit he contd have been thinking of "optimum level" Ger trade with East in next few years and in this connection cited statistic showing sharp drop current trade as compared with prewar level. It was he considered essential that Ger trade with East Eur be increased altho care shld be taken that it not exceed danger point where West Ger wld be unduly dependent on Eastern Eur for essential supplies of foodstuffs and raw materials. "Practical question was what cld be done in practice to step up volume West Ger-East Eur trade without involving security dangers". First thing he thought shld be to place Ger on basis equality with other OEEC countries so far as restrictions on trade concerned. On assumption we can agree that this "discrimination" is to be removed, we shld next consider what "positive advice" HICOM might give Gers re negot of trade agreement with Satellites. ALPHAND [4] argued on much same lines, asserting econ situation in Ger cannot be improved without increased trade with East and pointing out fact that nearly 20% Ger prewar trade had been with that area.

7. REINSTEIN [5] agreed that trade with East Eur was important factor Ger economy. Nevertheless we shld not concentrate on that area alone. Trade with Latin Amer and US had also been important prewar period, but today representated only "infinitesimal fraction" of what it had been. There were many factors which accounted for Gers failure to increase exports including ineptitude and lack of interest on part Ger exporters to develop markets. These points wld have to be driven home to Ger authorities. Moreover it was his understanding that we have been pressing Ger to export more to Satellites and to get more from them. REINSTEIN also expressed opinion that question of discrimination against Gers as regards exports to East was being considered at Paris and intimated that this was not appropriate forum for discussion.

8. STEVENS inquired as to financial basis of Fed Rep trade agreements with Satellites, and after MARSHALL [6] had replied that they were being carried out on usual offset account principle, suggested desirability requiring settlement balances in sterling instead of dollars.

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[3] Roger Bentham Stevens, Assistant Under Secretary of State (German Economic Affairs), British Foreign Office.

[4] Hervé Alphand, Director General for Economic, Financial, and Technical Affairs, French Foreign Ministry.

[5] Jacques J. Reinstein, Director, Office of German Economic Affairs, Department of State.

[6] Charles E. Marshall, Economics Commissioner, Office of Economic Affairs, Office of the U.S. High Commissioner for Germany; Deputy Chief of the Economic Cooperation Administration Mission in Germany.

9. After further discussion discrimination issue in which UK and Fr pressed strongly for removal, STEVENS proposed that report be submitted to Mins covering fol points:

(*a*) West Gers econ difficulties greatly enhanced by loss of markets and hence every effort shld be made to expand exports.

(*b*) Ger shld not be discriminated against as regards list of products with which it can trade with Eastern Eur.

(*c*) Bearing in mind security considerations, HICOM shld advise Gers as to ways and means by which they might stimulate trade with East. REINSTEIN replied that we wld like to consider matter further. It was therefore agreed that Brit shld put their proposals in writing.[7]

10. Subsequent discussion which related to IAR and steel summarized in separate msg.

(Sent Dept Secto 122; rptd Frankfurt 198, Paris 734.)

DOUGLAS

[7] An agreed British-French position, along the lines set forth in subparagraphs *a–c* of this telegram, was subsequently circulated at the Tripartite Foreign Ministers meetings as document MIN/TRI/P/16, May 7, not printed. For a summary of the discussion of the paper by the Foreign Ministers, see the final paragraph of the undated memorandum by Martin, p. 123.

450.6031/5–450 : Telegram

The Ambassador in Italy (Dunn) to the Secretary of State

SECRET ROME, May 4, 1950—8 p. m.

1829. Excon. Reference Depcirtel April 28.[1] Italian Government has since latter part 1948 applied export controls toward eastern Europe paralleling those of US. Exports all 1–A and 1–B items toward eastern Europe under licensing control. Request for licensing 1–A items rejected and requests considered excessive for 1–B items have been scaled down in trade agreement negotiations, as in case ball bearings. Monthly list furnished by Italian Government containing approved 1–B items.

In view Italian position leadership imposition and application export controls and fact UK controls have not been as complete as those imposed by Italy, believe introduction UK Embassy here into east-west trade negotiations would accomplish no useful purpose and arouse resentment Italians. For this reason Embassy has not approached UK Embassy to prepare joint statement. Our judgment is

[1] Not printed. It asked the Missions in Western Europe to report on the current status and to assess the future cooperation which could be expected from individual governments in the adoption and application of export controls. The possibility was raised of preparing such reports in consultation with British Missions (450.6031/4–2850). The circular telegram was transmitted separately to Brussels as telegram 562, April 29, not printed.

full cooperation in adoption and application controls can be expected from Italian Government in future as in past.

Sent Department 1829; repeated Paris 220.

DUNN

460.509/5–550 : Telegram

The Secretary of State to the Embassy in the United Kingdom [1]

TOP SECRET WASHINGTON, May 5, 1950—7 p. m.

Tosec 110. 1. Only action taken by NSC during discussion of export controls and security policy was to approve fol:

"The Secy of State will take the opportunity to emphasize the importance which the US attaches to common action in the field of security export controls at forthcoming mtgs with the Fon Min of GB and Fr and with the NAT Council." [2]

2. Please make clear to Brit and Fr that Sec will take up this problem in connection with appraisal of cold war.[3]

3. Present directives as outlined in relevant tels to OSR remain in force. State Missions will fol these.

Repeat to Paris as Excon. Pass Harriman.

ACHESON

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[1] This telegram was repeated to Paris as 2033.

[2] Quoted here is National Security Council Action No. 293, agreed upon by the Council at its 56th Meeting, May 4, 1950.

[3] Telegram Telac 4, May 10, to Secretary of State Acheson at London, not printed, reported that Secretary of Commerce Sawyer had called on Acting Secretary of State Webb to ask that the Department of State be sure to establish a firm position for the forthcoming Consultative Group meeting on export controls scheduled for late May. Webb stated that Secretary Acheson intended to discuss the matter with the British and French Foreign Ministers in accordance with the National Security Council action and also with American Representatives in Europe to make certain that their position was consistent with his taken in the Council (450.6031/5–1050).

611.6122/5–550 : Instruction

The Secretary of State to the Embassy in the Soviet Union

TOP SECRET WASHINGTON, May 5, 1950.

No. 41

The Secretary of State refers to the Embassy's despatch No. 558 of October 1, 1949 and its enclosures.[1] The contents of this despatch and its enclosures have been considered with interest by the Department, and a memorandum of comment, transmitted herewith, has accordingly been prepared for the Embassy's consideration.

[DEAN ACHESON]

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[1] For text, see *Foreign Relations*, 1949, vol. v, p. 142.

[Enclosure]

Memorandum Prepared in the Department of State [2]

TOP SECRET [WASHINGTON, undated.]

COMMENTS ON MOSCOW'S DESPATCH NO. 558, OCTOBER 1, 1949

The Embassy recommends that the United States Government take the initiative in developing a coordinated long-range policy for the western world that will result in increasing restrictions upon western trade with Soviet areas. The Embassy concludes that such a program will have an effect on basic Soviet political objectives, by lessening and destroying Soviet aggressive economic potential.

In implementing this program, the Embassy also recommends at least the following specific lines of action:

(1) improved intelligence reporting and analysis;
(2) strengthening United States controls over Soviet dollar earnings;
(3) limiting United States imports of non-essential Soviet goods;
(4) East-West European "bloc" trading;
(5) strengthening United States controls over publication and transmission of technological data.

The Embassy's recommendation for a more active program of economic pressure appears to be based on two major premises in the economic field.

(1) that the Soviet Union and its satellites are seriously vulnerable to a tightened and improved trade restriction program and
(2) that the western world has at its disposal the means for making its economic power "effective" in a long-range program for the ultimate destruction of the Soviet war potential.

In the first place, the assertion of absolute vulnerability of the Soviet Union is contrary to the conclusions reached in recent Departmental reports, based upon considerable research and analysis. The Soviet Union is scarcely a trading nation at all, as compared with the United States or Western Europe. It is dependent upon trade in a qualitative sense, with respect to some few products and materials but particularly with respect to the acquisition of technology. The Soviet Union is not, however, lacking in scientific or technical talent; it possesses a wide variety of resources over its enormous land-mass, and it has available extensive manpower for further training and further development of these resources. Its population has long been accustomed to a low standard of living. It also has an autocratic government that can see

[2] This memorandum, which was drafted in the Office of International Trade Policy on April 4 by Marcia R. Harrison and Willis C. Armstrong, was concurred in by the Offices of Eastern European Affairs and European Regional Affairs of the Bureau of European Affairs and by the Office of Financial and Development Policy.

to it that low living standards are maintained and human, as well as natural, resources are utilized in the interests of state planning objectives. Thus, a conclusion to the effect that the Soviet Union is vulnerable, in an absolute sense, to economic warfare measures, does not appear consistent with the known facts of its substantial self-sufficiency at approximately its present stage of development.

It is true, however, that by a system of controls the western world can retard the rate at which the Soviet Union continues industrial development and thereby augments its aggressive war potential. This is precisely the policy that is now being followed by the United States. It must be recognized, however, that no western action can suffice absolutely to prevent Soviet industrial development, or to produce any fundamental effect upon Soviet ability to make war at some time in the future. Western trade controls must be recognized for what they are, a delaying tactic that may or may not succeed in effecting an alteration of Soviet tactics. In and of themselves they cannot do sufficient damage to effect a reversal of basic Soviet policies and objectives. The plain fact is that the Soviet Union is not particularly vulnerable to any of the economic measures thus far proposed.

The vulnerability of Soviet satellite economies to western restrictions on trade is, however, a separate question. Trade as a whole is more important to certain Soviet satellites than to the Soviet Union, in comparison with total national product, and these smaller countries naturally have within their own borders only a limited variety of essential resources. They would appear, therefore, to be more vulnerable than the Soviet Union to economic pressure from the west, and the possibilities for adding to the economic difficulties of their existing Communist regimes therefore should be carefully explored. Even in the case of the satellites, however, there seems to be little basis for assuming that a reversal of their policies could be achieved by blockade. It must be recognized that drastic measures of western economic warfare against the satellites may, under present conditions, result not in Titoism but only in accelerating the present rate of their integration into a Soviet bloc economy. In any event the matter warrants careful study before any conclusion can be reached concerning the use of economic measures to wean satellites away from the Soviet Union.

In the second place, the Embassy probably has overestimated the degree to which the west can take effective aggressive action in the economic field, especially in so far as this would require unanimity of action by the western world vis-à-vis the Soviet Union and its satellites. The United States desires a free and democratic world, in which trade develops on the basis of comparative economic advantage, and in which controls, coercion, and government trading are at a minimum. Within the framework of existing United States policies, it would not be desirable to construct a well-organized restrictive system unless there

were in sight results more clear-cut and more significant than appear attainable. Even within a framework of world trade that has not thus far realized United States trade objectives, it is practically impossible to enforce such a system of restrictions under conditions short of war. The control measures required to cope with even the present limited volume of East-West trade in this manner would be very extensive and would call for complicated arrangements between western countries which have varying degrees of government economic control and varying philosophies.

Further, it now serves the economic interests of a number of the western countries to trade with the Soviet area, because they can buy essentials there, and because the area is a market for their goods. This trade is not very large in terms of total western trade but it is nevertheless important to the western countries under present circumstances, and it may become more important in the future. If the United States were to seek a blockade of this trade, the United States would also have to replace the goods which Eastern Europe offers, to provide the means of payment for such goods or to provide an alternative market for western goods that are now sold in the east. The United States should, of course, be prepared to provide emergency assistance to Western Europe in the event that Eastern Europe, by its own aggressive action, were to shut off essential East-West trade on a long-term basis. The United States cannot, however, plan a substitute for East-West trade on a long-term basis, without assuming that it will be willing and able to make substantial additional expenditures for the purpose of subsidizing Western Europe over an indefinite period of time. This assumption realistically cannot be made. The ability of the United States to produce the concerted western economic action suggested by the Embassy is, in the last analysis, directly proportionate to United States ability to pay the cost of resulting economic dislocations in the west. On the whole, therefore, the facts indicate that a program of considerably more extensive restrictions on East-West trade, while psychologically and economically upsetting to Western Europe, and extremely expensive for the United States, would nevertheless fail to have any really decisive effects on Soviet economic interests and policies.

Although it appears that the efficacy of more aggressive economic warfare measures must be heavily discounted, by no means does it follow that the western world lacks effective means for lessening the threat of Soviet military potential or postponing indefinitely the development of conditions under which an East-West armed conflict is likely to occur. Soviet military-economic potential now is at a level considerably below that of the west. The United States can see to it that this situation continues to prevail and it can extend this relative advantage of the west by taking positive steps to improve the economic

and political health of the free world. The latter program is of course now a major part of United States foreign economic policy. The United States is assisting Western Europe economically, psychologically and militarily. The United States proposes to extend even greater assistance than heretofore to underdeveloped areas of the world.

For the United States, ultimate security against an existing and developing Soviet world lies in fact in its own strength and in the strength of other like-minded nations. If the Soviet sphere develops its industrial power, as it will, the western world must develop faster and further. If Soviet policy makers assume the western economic system will break down, the United States and other western countries must take steps to insure that it does not. We must devise means of preventing economic crises, of disposing of surpluses in an orderly manner so that they benefit people somewhere, and of proving thereby that the Soviet analysis of what Soviet thinking defines as capitalism is wrong. If Soviet policy makers expect to seize power when war or protracted depression has created political instability in the non-Communist world, then the west must do everything possible to prevent these disasters from taking place. Current Soviet policies are derived with some logical consistency from Soviet basic assumptions. In order to effect any substantial alteration of these policies, it must be proved over the course of time that they, and the underlying assumptions, are mistaken.

Without undue emphasis on negative and restrictive measures, which could result in disservice to ourselves rather than to our potential enemies, the United States should of course continue its present program of controls over items selected because of their real importance to Soviet military potential. As a corollary, the United States should continue to press vigorously for the adoption of similar controls by other countries. These controls are expected to result in retarding the rate at which the Soviet military potential can be developed, but they are not so severe as to involve genuine economic sacrifices for our friends. If intelligence work is intensified, especially with respect to determining the bottlenecks in Soviet war potential industry, a careful selection of controls can increase their genuine nuisance value for the Soviet economy. If the United States program in this field is unreasonable, however, for any of the reasons cited, we shall not obtain the necessary parallel action by other countries. If such parallel action is not forthcoming, unilateral United States controls merely would penalize our own commercial interests but would not wreak any substantial damage on the Soviet Union. The United States also should recognize that its objectives of retarding the rate of Soviet development, or detaching the satellites from the orbit, to some extent can be accomplished by positive economic measures of an imaginative and resourceful character. (The status of negotiations for parallel action

in export controls has been outlined in Departmental circular instruction of April 26, 1950.[3])

The Department concurs with the Embassy's recommendation that intelligence work should be improved in every way possible. It is clear that the Government can never be too well informed about the economic conditions and the military potential of a possible enemy. It is also clear that the United States intelligence program should be carefully formulated and carefully implemented both in Washington and in the field.

The Department has for some time been considering ways in which field intelligence work for this purpose could be improved, and it is of the opinion that a more objective approach to the facts, coupled with high standards of historical criticism, is of the utmost importance.

It is recognized that reporting on the Soviet economy is one of the most difficult current intelligence functions and that basic factual material is frequently lacking; nevertheless a frank statement concerning the extent of our ignorance of Soviet developments may be of some use in stimulating efforts to fill the gaps. Neither the Department nor the Missions should under any circumstances fall into the dangerous position of formulating policies on the basis of intelligence reports characterized more by *a priori* reasoning than by careful factual analysis. The nature of Marxist orthodoxy and observation of Soviet negotiating tactics indicate that such faults are probably among the worst of the Soviet Union's own intelligence system.

It will be of interest to the Embassy that the economic vulnerabilities of the Soviet bloc are continuously under review by various agencies of Government, while new projects are undertaken as special problems arise. As indicated above, the question of absolute vulnerability of the Soviet bloc to western economic weapons has been given careful treatment in research studies prepared to date. It is believed, however, that detailed analysis of specific Soviet and satellite industries can develop useful information on their vulnerabilities to western controls over particular commodities or with respect to the timing of delivery for goods which are imported from the west. The Embassy and other Missions in Eastern Europe undoubtedly can be of great service in the several stages of this project.

The Embassy has recommended also that limitations be placed on the Soviet Union's dollar earnings, by restricting Soviet non-essential exports to the United States or by requiring that the Soviet Union accept United States non-essential goods if the United States continues to import non-essential Soviet goods, such as furs and caviar. The latter method in effect would achieve a bilateral balancing of United States-Soviet trade, thus eliminating the current trade surplus

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[3] *Ante*, p. 87.

which the Soviet Union can now convert into free dollars. It does not appear desirable at this time to introduce these restrictions.

In the first place, the Soviet Union now earns dollars in United States trade because the United States embargoes or restricts Soviet purchases in the United States for security reasons. In the absence of United States export restrictions, the Soviet Union might well have a trade deficit with the United States and it would have no difficulty in financing such a deficit. If the United States were to balance its trade with the Soviet Union so that the latter would not earn convertible trade surpluses, the Soviet Union would not be prevented from obtaining dollars if it so desired. The Soviet Union is a major producer of gold; it is reported that the Soviet Union is now using little gold in its foreign trade, but undoubtedly the Soviet Union could do so and undoubtedly it can increase its gold production if need be. Gold bullion is acceptable in trade anywhere. The Soviet Union can sell gold to a third country and the latter ultimately can obtain dollars with this gold or its equivalent. If a series of transactions is involved, the Soviet identity of the gold would be impossible to maintain.

Under present conditions, most of the world has a deficit in trade with the United States. It is highly probable, therefore, that much Soviet gold sold abroad would eventually find its way to the United States. As a heavy net creditor nation on current account, the United States is not in need of gold to settle its international accounts and current reserves are ample for domestic monetary purposes. In effect, therefore, the United States would be giving away its goods to the Soviet Union or a third country, since the ultimate payment to the United States, for United States goods purchased with dollars that are obtained by the sale of gold, is not in foreign goods but in foreign gold, and for the latter there is no immediate use in the United States.

On the whole, even the non-essential goods, such as furs and caviar, which the United States imports from the Soviet Union, and which presumably are exported by the Soviet Union only because the Soviet Union wants some dollars, are of more benefit to the United States economy than are sterilized gold reserves. It has been noted that Soviet free dollars may serve to finance Communist activities. Communist activities presumably do not cost a great deal, and they could be paid for in gold in any case.

These are practical considerations. Instituting a bilateral arrangement and/or import control system in United States-Soviet trade also would constitute an unusual deviation from our normal commercial policy. In view of the miniscule United States-Soviet trade involved, this deviation scarcely seems worthwhile, especially since the effects on United States objectives vis-à-vis the Soviet Union would not be apparent. The precedent established by such new import controls,

which could properly be effected only through new enabling legislation, doubtless would lead to domestic pressure in the United States to obtain similar controls and protective restrictions on United States imports from non-Soviet areas, thus hampering the achievement of one of our major economic objectives.

The formation of an OEEC bloc to centralize Western European trade relations with the Soviet Union and satellite countries is probably not a practical proposal. To date, OEEC countries have not shown a high degree of policy coordination on trade, whether intra-western or East-West trade problems are involved. To date, also, the United States has not been able to obtain a full concert of East-West trade control policy with such important western countries as Sweden and Switzerland. Without the participation of these countries, which are not likely to participate for both economic and political reasons, a Western European bloc for trade with the East would not be very effective.

Western countries are now improving their terms of trade in purely bilateral trade arrangements with countries of Eastern Europe, especially with respect to coal and grain prices and the need to make dollar payments. It might be possible for one or more "weak" western countries to improve terms of trade with an eastern European country by negotiating, together with one of [*or*] more stronger western partners, a multilateral East-West trade agreement. Trilateral deals have been suggested, but neither the weaker nor the stronger western partners have shown special interest in them.

East-West bloc trading probably would renew eastern efforts to obtain a formal clearing system for East-West payments and a scheme for obtaining long-term funded credits, both of which are now considered undesirable. Bloc trading probably would stimulate eastern countries to achieve better coordination of their own purchases and sales in the west. Bilateral trading is a more anarchic system than bloc trading and, under present conditions, this may not be an unsatisfactory basis for East-West trade. If specific disagreements arise over non-fulfillment of quotas, prices, etc., a western trading bloc might feel obliged to recommend some immediate solution, in order to avoid extending the difficulties of one trade channel into an East-West policy problem. Bilateral trading, however, can relate the solution of such differences to a more specific basis of value-given and value-received. For the relatively free economies of Western Europe, it would be difficult, and perhaps impossible, to coordinate offers on items, quantities and prices in East-West trade negotiations. The controlled economies of the east would have much less difficulty in knowing what was available, for export from their area, what they most desired for import and what compromises could be made in order to obtain something even more desirable.

Although Eastern European economic integration seems to be well under way, East-West bloc trading probably would bring about its acceleration. Under present conditions of East-West trade, it is probably true that important traders like Poland and Czechoslovakia have considerable leeway to negotiate in terms of their own needs, although only after their most important Eastern commitments are taken into account. Bloc trading would tend to affect the degree to which they are now free to conduct their affairs on the basis of their own national interests, rather than in terms of overall Soviet bloc requirements.

The Embassy also suggests that further restrictions be placed on the export of United States industrial technology to Eastern Europe. Program Determination No. 236 of the Department of Commerce, dated October 12, 1949, is a step in that direction. Under that program, devised by an interdepartmental group, organizations and individuals receiving requests for advanced technological data from foreign sources are advised to consult the Office of International Trade as to the desirability of permitting the data to go abroad. The program is voluntary, and controls are to be limited to technical data which involve "advanced developments, technology, information, know-how, including prototypes, and special installations pertinent to the common security and national defense". It includes technical data which do not now have a security classification but it excludes published materials generally available to the trade and public. The plan covers exports of technical data to all areas except Canada. It is intended, of course, to establish in effect an embargo on the export of such data to the Soviet Bloc, and there is every chance that it will succeed.

The placing of special restrictions on the publication of unclassified technical data, however, would hinder the exchange of useful information within the United States and thus hamper our own rate of technical achievement, which is of far greater security significance to the United States than any restrictive program. It may be noted that the Naval report enclosed with the Embassy's despatch appears to reach the conclusion that the Soviet Union normally would be able to adopt new industrial processes only through access to concrete objects incorporating such methods, and would not really benefit by access to published data.

450.603/5–950 : Telegram

The Ambassador in the Netherlands (Chapin) to the Secretary of State

SECRET THE HAGUE, May 9, 1950—3 p. m.

555. Paris telegram 58 May 5 sent Department 2114.[1]

1. Re paragraph 2 reftel clarification Dutch status follows. Netherlands Government participates fully in working groups of CoCom but does not attend executive CoCom meetings. This position taken by Cabinet as being all that is needed to provide cooperation necessary for program.

2. Netherlands retention non-membership status CoCom has made it politically possible Netherlands to participate fully in CoCom activities and take action parallel with CoCom nations despite Netherlands November Cabinet decision not to join CoCom. For example Hague bilateral negotiations with US on tankers, oil drill rigs, and transit have been satisfactorily concluded and executed within this framework. Therefore, Embassy questions making this status an issue.

3. Hague telegram to Department 514 repeated Paris 124[2] represents typical use non-membership status whereby Netherlands Government gives its views to US on bilateral basis for US to act on if it desires. Netherlands Government has always questioned possibility of true multilateral action in CoCom as long as group has no formal pedigree and has no authority to make decisions. Security reasons also a factor.

4. If full membership in CoCom for Netherlands desired Netherlands Government must be shown where present performance falls short and how full membership would improve it. Furthermore, decision to take full membership would have to be made in Cabinet. We see no benefit covering all this ground again after repeated travels over it.[3]

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[1] Not printed. It commented that the Netherlands continued insistence on "nonmembership" status in the Coordinating Committee presented a difficult problem in American efforts to secure true multilateral action through the Paris group. The Department of State was asked whether it was worthwhile to attempt to clarify the status of the Netherlands (450.603/5–550).

[2] Not printed. It reported on the Netherlands agreement to include tankers on International List I (450.603/4–2850). Regarding this matter, see footnote 3, p. 137.

[3] Telegram 2210, May 15, to Paris, not printed, stated that the Department of State did not feel it worthwhile to attempt to clarify the Netherlands status currently. Netherlands cooperation on specific cases was excellent, and it appeared that greater progress would be made if the current relationship continued until general agreement had been obtained on matters of principle and procedure by the Consultative Group (450.603/5–950).

Telegram 1797, October 6, from Paris, not printed, observed that continued Netherlands assertion of formal nonmembership in the Coordinating Committee was anomalous in view of the Netherlands full participation at the executive and

Footnote continued on following page.

Please see OSR and ECA/W files.

Sent Paris 136, repeated Department 555.

CHAPIN

Footnote continued from preceding page.

working group levels of the Committee and the constant reference in Committee documents to the Netherlands Delegation. The telegram also observed that the Netherlands insistence on nonmembership weakened the multilateral character of the Coordinating Committee (460.509/10–650).

450.6031/5–1150

Memorandum by the Associate Chief of the Economic Resources and Security Staff (Armstrong)[1]

SECRET [PARIS?, undated.]

REPORT ON TRIPARTITE DISCUSSION ON 1B PROPOSALS
MAY 8–9, 1950, PARIS

In accordance with instructions contained in the Department's telegram No. 1861, April 27, 1950, to Paris, repeated to London as No. 1936, United States representatives met with the British and French delegations on May 8 [2] at the French Foreign Office and on May 9 at the Office of the British Delegation to the OEEC. The French Delegation included Mr. de Rose [3] and Mr. Fouchet [4] of the Foreign Office, and Major Massignac from the military staff of the French Council of Ministers. The British group included Mr. Coulson [5] and Mr. Turpin [6] of the British Delegation to the OEEC, Mr. Elkington [7] and Mr. Brown [8] of the Board of Trade, and Mr. Gresswell [9] of the Ministry of Defense. The United States group was headed by Mr. E. M. Martin,[10] Director of the Office of European Regional Affairs, De-

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[1] The source text was transmitted to the Department of State as an enclosure to despatch 1053, May 11, from Paris, not printed. The Department subsequently circularized the text of the memorandum to the other Missions in Europe.

[2] Telegram 1861 not printed; regarding the convening of the meetings reported upon here, see footnote 4, p. 96.

[3] François de Tricornot de Rose, Deputy Director for Economic and Financial Affairs, French Foreign Ministry.

[4] Jacques Fouchet, in the Office of Economic and Financial Affairs, French Foreign Ministry.

[5] John E. Coulson, Deputy to the Permanent British Representative on the Organization for European Economic Cooperation.

[6] James A. Turpin, First Secretary of the British Delegation to the Organization for European Economic Cooperation; British Representative on the Coordinating Committee.

[7] Reginald L. Elkington, Controller, Export Licensing Branch, British Board of Trade.

[8] Cyril Maxwell Palmer Brown, Assistant Secretary of State, Commercial Relations and Exports Department, British Board of Trade.

[9] H. Gresswell, Assistant Secretary of State, British Ministry of Defence.

[10] Mr. Martin was accompanying Secretary of State Acheson who made a stopover in Paris on May 8 on his way to London for the Tripartite Ministerial Meetings, May 11–13.

partment of State, and included Willis C. Armstrong,[11] Associate Chief of Economic Resources and Security Staff, Department of State, Mr. Nat B. King, First Secretary of the American Embassy, Paris, Mr. J. M. George, Assistant to the Director of the Office of International Trade, Department of Commerce, Mr. Joseph Todd, Second Secretary, American Embassy, London, and Admiral Marcy M. Dupré, Representative of the Munitions Board attached to the Office of the Special Representative of the Economic Cooperation Administration. Mr. Martin acted as United States spokesman at the May 8 meeting, and Mr. Armstrong at the May 9 meeting, in Mr. Martin's absence.

The United States was asked to open with a general Statement of the problem, and began by stating that we feel the final solution to the 1B problem is a technical matter for decision by experts, but that the outcome of the discussion is dependent on and will be determined by the spirit in which the matter is approached. We had come to the meeting to talk about spirit and general attitude, and not to consider technical points. We think our 1B list is the best we could devise but we admit it's not perfect and we are prepared to reach agreement on what it should contain. We have no final views on how items should be treated but we do have certain proposals to discuss.

We said we were anxious that work proceed on the basis of real Allied interests in the present world situation, which is either a cold war or a hot peace. It is in our mutual interest, in order to avoid a hot war, to engage in a program for increasing our strength as it compares to Soviet strength. Our success in the cold war is dependent on this. Our position is that there is a contest of power in the world and we wish to settle it peacefully and believe we can do so only through strength. At the same time, we think the USSR wants to avoid a hot war, but we can be mistaken, and incidents can arise which get beyond control. We must therefore be prepared for such an eventuality. Some of our mutual problems in the western world arise from the fact that we are trying to conduct a successful cold war and simultaneously prepare for the eventuality of a hot war, and the two courses do not always call for the same measures. We must therefore have a flexible approach, and we should not exclude the possibility of a Soviet initiative in a hot war, which might begin in five or perhaps ten years.

We think it essential to build our strength on these strategic assumptions and we can all agree to them, but still draw diverse conclusions.

If a hot war is five or ten years away, and we are waging a cold war, it becomes more important to keep basic production equipment away from the Soviets than to deprive them of strategic military

[11] Mr. Armstrong, and presumably also Mr. George, were on a visit to Paris in connection with East-West trade problems.

500-421—80——9

equipment. Then we would advance, Soviet Union would be retarded, and military equipment given now would be obsolete if the hot war came at the end of the period. But we might get into hot war sooner, and therefore we prohibit arms shipments. We are therefore deeply concerned with general industrial equipment as well as military goods.

We are not seeking just to weaken USSR economy, but to weaken its power relative to that of the West. We must build economic strength and stability in the Western world as a prerequisite to success in the cold war. It is of real importance for us to prevent immediate accretions to Soviet power, and also to deal with basic Soviet strength. If we have power, we can in effect dictate our terms to the Soviet Union, and if the Soviets recognize our preponderant power they will settle. If a war should decide the contest of strength, it would be the third or fourth year of the war before a decision is clear.

One third of our 1B list consists of items which we generally do not ship at all to the USSR. The people of the U.S. do not wish these goods to go, as they have a very vivid memory of scrap iron shipments to Japan and do not wish to have material fired back at the West. Control by the U.S. alone may in a measure be effective, but it is obviously more effective if combined controls are used.

The United States also feels it needs to have goods under control as a precautionary measure for use if required. There are many indications of Soviet intentions of driving us out of Soviet areas. We are out of Bulgaria, and similar developments may be occurring in Czechoslovakia. We have no special illusions about the effectiveness of economic blockade, but controls would perhaps be useful if some kind of a blockade situation should be developed.

We also think the USSR is coming to a position in which trade between the satellites and Western Europe will come under effective USSR control and we cite the decline in bilateral agreements as evidence. Controls will therefore be useful in obtaining what Western European countries need from Eastern Europe. We are anxious that East-West trade yield genuine proceeds to the West, and with respect to our own trade we do not think that machine tools are a good exchange for furs and other luxury goods we receive from the East.

We think that security is of great importance in the world situation, and we know that the economic effects of security measures are also important. At this point the question of relative security must be considered. We recognize that additional controls mean new administrative problems, but we think it important to decide what we want to do, and then to find means of solving administrative problems. We should therefore not be stymied by the fear of administrative difficulties, which should be no harder than those arising under the North Atlantic Treaty. Therefore, we ask for: 1) control of items listed in our 1B program; 2) a review of the 1B list with the idea of controlling

the items in such a way as to maximize the economic and security advantages of the West; and 3) the application of control measures appropriate for these objectives. We think there are four means of control: 1) embargo; 2) advance clearance of items approved; 3) quota control; 4) exchange of information.

The United Kingdom responded with the remark that the U.S. statement was very useful and that the U.K. was in general agreement with most of what was said. They pointed out that we have been working multilaterally for about six months and have made considerable progress, that the U.K. has attached great importance to the security aspects of trade, and that the machinery is beginning to work. The U.K. considers that progress to date is in a comparatively limited field, and that the new proposals of the U.S. go further than is possible. The U.K. favors a consolidation of the present controls rather than an expansion. They fear that we get "dangerously into the realm" of economic warfare, which may under present circumstances be the right thing to do but which is not U.K. policy at this time. Expansion would also have serious economic consequences for Europe as a whole, which transcend the selfish considerations of each government. The OEEC has recognized the economic value of East-West trade, and Mr. Harriman has endorsed such trade as of value in restoring viability to Western Europe. An extension of controls might snowball into a very elaborate system. Admittedly the West needs to increase its strength, but too severe a program may cause it to lose strength through lack of access to essential raw materials and foodstuffs. The bargaining power of Western Europe would be decreased if increased controls were established, and the level of trade might be frozen at too low a point.

The U.K. contends that when an item is identified as having direct strategic importance, this outweighs the importance of trade in the item. This, however, does not mean that the concept of strategic importance can properly be extended to ordinary commercial uses or the basic importance of items for the industrial plant of Eastern Europe. The U.K. thinks we should select key items in minimum numbers and control them effectively. It is not U.K. policy to set up a complicated international organization to deal with these problems.

The French said there was no difficulty in adoption of war material controls, but difficulties began when there were differences of opinion as to strategic character. The French delegate spoke frankly of his reasons for apprehension. First cited was an admittedly minor commercial consideration, in which France calculated it had already suffered a five to six billion franc loss on the basis of List I. If the U.S. proposals are adopted, the French trade loss might represent an additional four billion francs, making a total of one third of French trade with Eastern Europe. France agrees that security must come

first, but economics cannot be ignored. Under these restricted conditions, trade agreements cannot be concluded. France, for example, did not sign a trade agreement with the USSR because it was obligated to refuse to supply tankers. Pipe and tubing raise the same question, but France has agreed to put these on List I. France recognizes that if it had not been for U.S. aid, its trade with Eastern Europe would have to be larger. Compensation for the French investments in Eastern Europe which have been nationalized can be obtained only through trade.

More important, however, is the security of West against Soviet aggression. France considers List I embargo, or additions thereto, as a reply to the hostile policy of the Soviet Union and as a matter of legitimate defense. If, however, the U.S. wishes to go further and we should act against basic Soviet industrial power, then logic leads us to a total economic blockade because in the USSR military objectives have priority in the economic field. France is not ready to go along with such a blockade because it would aggravate the cold war. This does not mean that France rejects that 1B proposal, but if the U.S. thinks the 1B proposal leads to a blockade, this is beyond the competence of the French delegation and therefore there must be conversations at a higher level.

In response, we said that we could see what worried the British and the French and that we did not intend a blockade. We said that we have had our policy for two years, have defended it as essential to our security interests, in GATT and ECOSOC and the General Assembly, and have been supported by other nations in our interpretation. We did not consider the proposed controls as economic warfare, but as a legitimate defense against Soviet aggression. We think that the USSR probably is of the opinion we are now doing what we are talking about, and we are sure the Soviet Union examines everything they ship from a strategic standpoint. Therefore, the concept is neither different nor new. Modern warfare means that industrial potential is war potential. In bombing Japan we considered primarily industrial and not military targets.

We said we did not see how increased formal controls on trade with the East diminishes the bargaining power of the West. We said further that the second question was one of the severity with which we exercised controls. We think our criteria for key items are good, and we emphasize the importance of industrial prototype, unique technology, and advanced machinery. We said we could not prove it, but we felt that Eastern countries spend what they are able to earn in foreign trade and that this would continue in the future, regardless of the nature of western controls. The autarchy drive does represent some possible diminution in Eastern trade and a possible shift in types of purchases. We said we were of course very gratified at the progress

made in six months in establishing an embargo list, and we hoped that progress would be continued in approaching the 1B problem.

The U.K. asked if the 1B proposals attempt to form a blockade, and pointed out that there is a considerable difference between Western European and United States interest in items on the 1B list. The items would normally be sold much more by Western Europe than by the United States.

The French said they did not think the proposals implied blockade, but that if we try to prevent basic development of the USSR we might be led to a blockade. The French Government does not refuse to consider the 1B proposals, and thinks a certain number of 1B items are suitable for inclusion in Lists I and II, but there is a risk in being involved in a policy leading to a blockade, which the French Government is not yet willing to take.

We pointed out that our formal controls covered only one third to one fourth of the total commodity area, that we recognize it is not easy to draw a line as to what is strategic, but that we nevertheless would like to have our proposals examined and see how far countries are willing to go.

The U.K. said that if we examined the 1B list in CoCom we should need to agree upon what criteria would apply. The French pointed out that if we tackle the 1B list without agreement on basic principles, we will have the same difficulties we have experienced to date. The U.S. proposed that we agree on criteria as to what is strategic, then on the items which should be controlled in some fashion, then on methods of control to be applied. We said further that the licensing policy to be followed internationally should be based on the effect it would have on the relative strength of the East and the West. We added that we were disturbed over the possibility that the East might cut off trade at some point.

The U.K. said that prior consultation and quota concepts present difficulties, but that the U.K. could select the 1B items which qualify for embargo, and others which should be watched. If excessive shipments of watch items took place, the group could deal with the problem, but methods might have to vary with the commodity. We pointed out that the present List II concept includes self-limiting control as well as watching.

The French said they know of shipments to the East because of exchange control regulations, but that sometimes the information is not sufficiently precise.

The U.S. then proposed that we agree to discuss what we mean by strategic, then review the 1B list to see on first reading where items might fall, and then review types of control. We said we were most anxious to proceed as far as we could in the areas in which agreement was possible and to identify areas where further technical discussion

may be necessary. We said we were prepared to offer our strategic definitions, to answer questions about items on the 1B list, and to explore on a sampling basis our reasons for proposing various types of control.

This was generally accepted, and we circulated at the May 9 session our 1A and 1B definitions and also a statement of "area of commodity coverage" contained in ACR document 48.3. The U.K. also presented suggested definitions for List I and List II, and the May 9 meeting was devoted to a discussion of definitions and justifications for the inclusion of various types of items. Agreement was reached as to the method of work in CoCom next week. All three delegations recognized that there were differences of degree in the definitions and criteria governing strategic significance. Nevertheless, it appears on careful scrutiny that the definitions of the U.S. and the U.K. are not as far apart as was expected, and therefore we agreed that on the basis of each country's own criteria, an examination of the 1B list for inclusion on Lists I and II could be constructive. We therefore negotiated an agreement with the British and French concerning the manner in which we would try to guide CoCom activity. This agreement is as follows:

1. CoCom will examine the 1B List and place items in Lists I or II, using present List II criteria (unilateral limitation and exchange of information).
2. Items not agreed for Lists I or II will fall into List III (items held for further consideration).
3. U.S. proposals for methods to be applied to List II items (prior consultation, quota control) will be temporarily held in abeyance until the review of List 1B is completed, but will be discussed by CoCom, which will report the results of the discussions to the Consultative Group.
4. CoCom will also report to the Consultative Group the results of its scrutiny of the 1B List.

Comment: We think this is the best possible outcome of the tripartite discussions, as it results in an actual review of the 1B List on the basis of the present List II criteria. The U.S. cause is best advanced at this stage by obtaining agreement to apply List I or List II treatment to a maximum number of 1B items, with the clear understanding that the U.S. proposals for prior consultation or quota control will receive consideration in the Consultative Group or on a government-to-government basis. It is not possible, in our judgment, to obtain a new agreement at this stage on these two methods of handling List II, and if we wait until agreement is reached we will have lost much time and effort which can now be well spent in adding 1B items to Lists I and II, thus insuring a broader control base than we now have. We mentioned informally that the Secretary had expressed to

Mr. Schuman the broad political and strategic importance of reaching agreement on trade controls, and also referred to the possibility that the Secretary would raise the issue with Mr. Bevin.[12] We think our exposition of policy, definitions, criteria, examples, and intentions has done much to dispel the apprehension felt by the French and British, and we have the right to expect a constructive approach to the 1B list on the part of both governments. We do not see any other constructive result which could have been achieved in these meetings in the light of all relevant circumstances.

[WILLIS C. ARMSTRONG]

[12] Regarding Secretary Acheson's meetings with Schuman and Bevin, see Martin's memorandum, *infra*.

460.509/6–1550

Memorandum by the Director of the Office of European Regional Affairs (Martin)[1]

SECRET [WASHINGTON, undated.]

DISCUSSION OF EAST-WEST TRADE AT LONDON MEETINGS

In addition to official level discussions with the British in London and with the British and French in Paris in advance of the ministerial meetings, at which the U.S. point of view was vigorously presented, I put forward the U.S. position at Paris with Mr. Schuman, in London with Mr. Bevin, and in London at the Tripartite Meetings with Mr. Bevin and Mr. Schuman.[2]

To Mr. Schuman in Paris I emphasized the major importance which the United States attaches to the control of east-west trade and the necessity of concentrating not only on growing stronger but also on reducing the potential of the USSR. I expressed the hope that the forthcoming meetings of the Consultative Group[3] would reach rapid and fruitful conclusions. Mr. Schuman expressed the view that the French had thus far agreed to renounce all deliveries which had

[1] A brief covering memorandum drafted by Martin, dated June 15, not printed, indicates that the memorandum printed here was prepared for the possible use of the Secretary of State in reporting to the National Security Council on the discussion of East-West trade at the London Tripartite (U.S.-U.K.-French) Ministerial Meetings, May 11–13.

[2] Preliminary to the London Tripartite Ministerial Meetings, May 11–13, Secretary of State Acheson and his advisers held a series of conversations with French Foreign Minister Schuman and his advisers in Paris on May 8 and with British Foreign Secretary Bevin and his advisers in London on May 9 and 10. These bilateral and trilateral discussions covered a wide range of topics. The full record of these discussions is printed in vol. III, pp. 828 ff.

[3] The Consultative Group was originally scheduled to meet on May 25 but instead met on May 31. For the report of that meeting, see telegram 2644, June 2, from Paris, p. 136.

strategic value and could strengthen the military potential of the USSR. He expressed concern over too strict limitations on Germany which would cut her off from her natural markets to the East. He feared that what he referred to as "useless limitations such as trucks" might ruin the German economy, and hoped that limitations could be based on strictly military and strategic limitations.[4]

With Mr. Bevin I went into the difference, as we saw it, between the 1–A and 1–B list, recognizing that controls affected balance of payments but emphasized that they also were of great importance to security and that we felt it necessary to press for an agreement which would be as close as possible to the U.S. position. I pointed out that it was, in our judgement, foolish to give the USSR the economic advantages of much of the present trade. Mr. Bevin thought that we were pretty well in agreement on this whole issue. The U.S. Delegation explained the differences which existed with respect to the 1–B list and the question of pre-consultation instead of post-review. Mr. Bevin asked what exactly we wanted them to do and I urged that the present differences among the experts on the relative importance to security and to trade of denying, for example, trucks involved questions of broad political judgement which we hoped would be considered in that light at the ministerial level. The British Delegation then raised the question as to whether our proposals for what seemed to them to be tantamount to an embargo on a large number of 1–B items was not really a change in policy, looking to economic blockade or warfare. I urged that we not emphasize labels but analyze on an individual basis the relative advantage to the Soviets and to ourselves of trade in items of this character. Mr. Bevin concluded by saying that he thought the British were in full agreement with us but on the basis of this discussion he would take the matter up with the Board of Trade.[5]

At the Tripartite Meetings the question arose in connection with a paper prepared by the officials of the advance delegations, in which the British and French objected to the strictness of present controls of trade between West Germany and the Soviet orbit, and recommended that these controls be relaxed to the level being followed by the other European countries.[6] I expressed myself as quite unable to agree to this proposal. Rather I thought the emphasis should be on prompt consideration by the other governments of bringing their controls up to the level of Western Germany and the United States. I hoped that it would be from this standpoint that they would give instructions to their experts in the forthcoming talks and that not until

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[4] The discussion summarized here occurred during the morning session of the American-French Ministerial conversations in Paris on May 8.

[5] The discussion summarized here occurred during the closing session of the American-British Ministerial conversations in London on May 10.

[6] Regarding the paper under reference here, see footnote 7, p. 105.

we had made a maximum effort to bring their controls to the highest possible level should we reconsider present policies in Germany. This was agreed to by Schuman and Bevin.[7]

[EDWARD M. MARTIN]

[7] The discussion summarized here occurred during the May 12 session of Tripartite Foreign Ministers Meetings in London.

450.6031/5–1750 : Telegram

The Ambassador in Sweden (Matthews) to the Secretary of State

SECRET STOCKHOLM, May 17, 1950—5 p. m.

659. Re Depcirtel April 28, 10 a. m.[1] We do not believe it desirable attempt Joint US–UK assessment Swedish position this time. We have reported British views (Embtel 442, April 4, repeated London 63, Paris 95 and Embtel 503, April 18, repeated Paris 109, London 76 and Embdes 430 April 20 [2]).

British have made only occasional inquiries to Foreign Office on certain special aspects East-West trade. To our knowledge they have not stressed basic policies nor desire for parallel Swedish action except in casual manner. Embassy has requested that British Foreign Office be approached in effort obtain instructions to British Ambassador Stockholm [3] to approach Swedish Foreign Office on high level and to give firm assurance that British approach this problem is along same lines. To date no such action has developed.

Accordingly, while we are satisfied British Embassy officials individually believe Swedish controls and information not satisfactory, we believe it premature attempt joint assessment Swedish position before British have taken more aggressive action.

British recently requested Harris Chief ECA Mission [4] to discuss history ECA talks during 1948–1949 with Swedes on East-West matters. Harris assumed British Ambassador wanted full story negotiations, possibly for background before urging action on Swedes. He found however that British Ambassador evidenced practically no interest in making representations to Swedish Foreign Office and that his main concern was on satisfactory solution Freja mines case (see Embtels 508, April 19, and 492, April 17 [5]). British anxious obtain ECA Mission export for an agreement on Freja which would provide satisfactory settlement British interests even though would result

[1] Not printed, but see footnote 1, p. 105.
[2] None printed.
[3] Sir Harold L. Farquhar.
[4] Michael S. Harris, Chief of the Economic Cooperation Administration Mission in Sweden.
[5] Neither printed.

some expansion export strategic items, including bearings to Czechoslovakia. Harris refused to be drawn into this issue, but came away with strong impression lack of intention British Ambassador make any vigorous move East-West trade in absence definite British Foreign Office instructions.

At present, we are only prepared to comment briefly some main factors Swedish situation:

1. Reference Swedish production. As OSR reports have indicated, Sweden is one of few OEEC countries which has maintained trade with Eastern Europe above prewar levels. Some of this trade and some of the expansion is in strategic items, for example, ball and roller bearings. Thus, we are concerned about tendency volume of trade to expand when strategic items constitute an important part. Other items of importance, although possibly not on American list; include for example, iron ore. Also, we do not have sufficient official timely information on this trade with Eastern Europe. We have been piecing the picture together bit by bit, and believe that ultimately we should obtain Foreign Office agreement to current and complete information.

2. While we have of course Government decree of November 1949 we have only vague assurances from Swedish officials as to how that decree will be administered. We believe that we should work towards increased information on the supplementary lists re the items listed in decree and should obtain better current record of export controls in terms of American and international lists.

3. Understand consultative group will determine whether international lists I and II informal report progress CoCom activity should be made available by Belgians to Swiss on informal basis. If CG so determines believe US should request permission transmit same information Swedish Government. Embassy would take advantage such opportunity to reemphasize US concern absence more adequate Swedish control.

4. Control of reexportation and in-transit shipments. The recent report of CoCom to the CG on transit controls appears to represent marked progress this area. If recommendations which appear to be applicable both to transit control and reexportation are accepted by CG, Embassy would propose; subject concurrence Department, approaching Swedish Government to obtain its concurrence institute comparable control. Application principles involved would likewise be sought for Swedish freeports. While not optimistic, results such efforts, believe attempt worth while.[6]

Sent Department 659; repeated information Paris 114 for Excon, London 117, pouched Moscow.

MATTHEWS

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[6] Telegram 2561, May 26, to London, repeated to Stockholm as 365, not printed, asked that the British Foreign Office be approached on a high level with a view that more affirmative British action was necessary to progress trade control discussions with Sweden (450.6031/5–1750). In early June the British Foreign Office agreed to make an approach to the Swedish Government, but the initial action was delayed until early October 1950.

450.6031/5–1750 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

SECRET PARIS, May 17, 1950—6 p. m.

2363. Excon. Re Depcirtel April 28.[1]

1. French degree of cooperation perhaps best exemplified by what they did with UK in formulating so-called "Anglo-French" list items to be embargoed to USSR and satellites. However, since January meetings of PCs French seem to have to some extent parted company with Britain questions East-West trade. While they cannot be expected proceed objectively toward further implementation of an export control program on present US lines (particularly 1B policy), they have not adopted niggardly attitude such as Dutch and Danes. Rather than maintaining firm position of their own they have seemed inclined to go along with other countries in most cases where general agreement can be obtained.

2. As far as administrative controls are concerned French have apparently implemented agreements so far reached by CoCom and consultative group.

3. Perhaps greatest concession made by French in so far as it affects their own particular interests was agreeing to include seamless steel tubing on international list 1. While they agreed to its inclusion list 1, they stated they plan raise situation created thereby in consultative group.

4. While French are definitely not in wholehearted support present US export control policy and cannot be expected to take initiative, they can be expected go along in general with such other countries as agree to US position. On US 1B policy French will probably agree to whatever British agree. It might be mentioned that Belgium and French policies are frequently same in CoCom and it might well be there is informal consultation between two countries.

5. French can be expected continue cooperate in administration of controls agreed upon internationally, and continue cooperation in CoCom and consultative group as in past. They have been very helpful in CoCom and consultative group by providing part time clerical help, meeting places and translators.

6. Embassy does not believe consultation with British at this time would add much to foregoing conclusions.

Sent Department 2363, repeated information London 667, Brussels 110.

BRUCE

[1] Not printed, but see footnote 1, p. 105.

450.6031/5-1750 : Telegram

The Ambassador in France (Bruce) to the Acting Secretary of State [1]

SECRET PARIS, May 17, 1950—7 p. m.

2367. Excon. CoCom meetings US 1B proposals.

1. May 15 spent in procedural wrangling with all PC's except Luxembourg represented, viz:

(*a*) UK requested discussion 1B list by major categories, e.g., metal working machinery, rather than by items. US proposed immediate seriatim consideration each item US 1B list for inclusion international list II and, subject concurrence other PC's, agreed include category A and B items in international list I. Items not accepted either list I or II to be included list III. Present concept international list to be used without regard US proposals preconsultation and limitative controls. French proposed immediate discussion methods implementation list II. US proposal prevailed, with UK, Belgium, Denmark for French proposal.

(*b*) All delegates expressed their views on US 1B list item 1, but British refused express opinion with prior discussion strategic aspects of whole category. After extensive discussion chairman submitted British approach. Result was tie with France, Denmark, Norway and Netherlands for UK proposal.

(*c*) French proposed immediate discussion first 79 US 1B items (metal working machinery) by technical working party. US proposed immediate poll of delegates as to whether they could agree place any US 1B items on international lists I or II as presently constituted. French proposal adopted, Italy and Canada favoring US proposal.

(*d*) Netherlands proposal for simultaneous CoCom discussion methods implementation list II carried.

2. At May 16 meeting CoCom:

(*a*) Considered US proposal limitative control (Embassy despatch 991, May 4, 1950 [2]) and UK proposal (London 2328, April 28, repeated Paris 679 [3]). On instructions from their respective govern-

[1] Following the Ministerial Meetings with the French and British in Paris and London, May 8–13, Secretary of State Acheson attended the Fourth Session of the North Atlantic Treaty Council in London, May 15–18. He returned to the United States by boat, arriving there on May 27.

[2] Not printed. It transmitted copies of a Coordinating Committee report on the Committee's meetings in March concerning the addition of items to International List II. Annexes to the report included major United States statements and proposals to the Committee for the application of limitative controls upon export items included in List II. In general the American proposals called for the inclusion of nearly 200 items from the U.S. 1–B export security list on International List II. Control of these items would be affected through prior consultation among the various participating countries on some items and the quantitative control of other items on quota bases (450.6031/5–450).

[3] Not printed. It transmitted the text of a paper by the United Kingdom Delegation to the Coordinating Committee commenting on the American proposals for limitative controls for List II items. The British found a number of weighty objections to and many practical difficulties in the arrangements foreseen in the American proposals. The British felt that the only practical methods for the international security control of exports were those already agreed upon: the complete embargo of important items under International List I and the *post facto* exchange of information among participating countries regarding the export of items of less importance with a view to embargo or other restriction where necessary (450.6031/4–2850). The British paper was formally submitted to the Coordinating Committee on May 10.

ments France, Netherlands, Norway, Denmark supported UK position. Belgium expressed general agreement UK position. Germany, Canada, Italy supported US proposal in principle and reiterated views expressed at CoCom meetings March 30, 31 (Embdesp 991, May 4, 1950). Report of meeting will be submitted consultative group as extension March 30, 31 CoCom discussions.

(*b*) Agreed consider metal working machinery reported by technical working committee for inclusion international lists as presently defined.

(*c*) Discussion continuing for schedule future technical meetings other categories.

3. Technical working party discussions proceeding tediously with probability meaning of most items metal working machinery will have been gone over this week. Discussion technical aspects each item to follow. Report will then be made CoCom for strategic discussion each item there. Smaller countries may be expected want refer results technical talks to their governments as they have no technicians at present meetings. On this basis we cannot realistically expect complete even technical discussion US 1B list before September at earliest. Embassy greatly handicapped in technical discussions by lack experts and documentation (see Embtel 2043, May 3 [4]).

4. US effort has been directed to obtain immediate reading 1B list with each country stating whether it agreed inclusion specific items on list I or II, and failing that place on list III for further CoCom discussion. This prevented by British intransigence, but in any event meeting as whole indicates no PC except Germany, France and Canada willing accept even one 1B item for inclusion list II as presently agreed (much less as it would be constituted by US proposals of prior consultation and quota controls) without full technical discussion.

5. Meeting resulted in clear division PC's between US 1B position (3 countries) and British limitation control proposals (7 countries). Embassy feels stronger than ever that absent high level agreement between UK, France and US (Embtel 1838, April 20, repeated London 517 [4]) further CoCom debates to establish US 1B position as presently constituted useless and prejudicial (Embtel 1862, April 24, repeated London 523 [4]). British indicated informally their quantitative control position will probably remain unchanged in consultative group.

6. Net result is that for first time in some year and half since PC's have had 1B list we have come to discussion specific items, but only on basis international list II as presently agreed (unilateral limitation and exchange information) and with prospect of months of technical and multilateral discussions ahead of us. On basis past experience and obvious apathy PC's toward all US 1B proposals and unless policies majority PC's changed, we are not sanguine that these

[4] Not printed.

discussions when completed will result in appreciable additions international list I or II. As Embassy has reported before and as indicated by present meetings, there seems no possibility acceptance US proposal for preconsultation and quantitative controls absent reversal UK position on high level and similar reversal by countries that now side with UK proposal.

Repeated information London 668.

BRUCE

450.6031/5–1950 : Telegram

The Ambassador in Belgium (Murphy) to the Secretary of State

SECRET BRUSSELS, May 19, 1950—7 p. m.

811. Excon. Deptel 562, April 28.[1] Following assessment based on US Embassy and ECA Mission observations in Brussels with limited knowledge Belgium role in Paris consultations. See also Foreign Office note Embdesp 645 May 12.[2]

1. Belgian Government is committed to full cooperation EW controls and personalities principally responsible for compliance are believed convinced of necessity and determined fulfill engagements, and have taken lead in consolidation of lists (Embtel 174, February 3 [3]). Only official who has indicated questionable earnestness is no longer directly responsible this function. Transfer ECA to Foreign Office has probably strengthened cooperation.

2. Embassy knows no instance of indifferent compliance with express EW control agreements. Therefore believes Belgian Government can be relied on for cooperation and reasonably efficient administration of all present and future controls adopted multilaterally.

3. Enforcement machinery believed relatively efficient and reliable when on solid legal ground. Embassy knows no instance of connivance or evasion by public servant. Since risk of leakage considerable, due experience and ingenuity international merchants and complexity of [transit ?] trade, individual violations not precluded but will not necessarily reflect official indifference.

4. There have been instances voluntary control action outside multilateral agreements (viz. copper, tin). Although no assurance special US suggestions will be applied, Embassy believes they will at least

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[1] Not printed, but see footnote 1, p. 105.

[2] In speeches to the Senate on January 24 and April 19, respectively, Senators George W. Malone of Nevada and James P. Kem of Missouri declared that member countries of the Organization for European Economic Cooperation were exporting items of war potential to the Soviet bloc and proposed the suspension of all financial aid to countries making such exports. The statements by Senators Malone and Kem were widely publicized. The despatch under reference here, not printed, transmitted the text of a note of May 4 from the Belgian Ministry of Foreign Affairs and Foreign Trade, not printed, which declared that the Malone and Kem statements as they applied to Belgium were completely unfounded. The note stated that the Belgian Government scrupulously fulfilled commitments under the Consultative Group–Coordinating Committee system (450.6031/5–1250).

[3] Not printed.

receive serious consideration. In actions not based on express agreement, Belgian Government appears relatively timid coping with legalistic hurdles and traditional concepts commercial liberties (viz—transit trade in bond).

5. Government reluctant deprive Belgium of exports or increase governmental interference with commerce while alternative channel remains open, particularly if through other "cooperating country". Therefore not likely take lead voluntarily in extension of control but not expected to obstruct an extension when all other cooperating countries ready to adopt it.

6. Belgian Government also expected to examine proposals for extension of controls with possibly exaggerated concern for economic interest in export, established channels of trade and opportunity opening new ones (viz—tin). Such attitude, undoubtedly shared other cooperating countries, will contribute to delay but not expected constitute obstruction except when loss of trade would directly benefit competing country without effectively depriving East of commodity.

Summarizing, Belgian Government believed to deserve confidence in sincerity of effort to enforce controls adopted multilaterally and expected to fall in line with extensions when convinced objective of limiting availability to East will be accomplished. Embassy doubts consultation UK Mission would materially alter foregoing impressions.

MURPHY

460.549/5–2050 : Telegram

The Minister in Switzerland (Vincent) to the Secretary of State

SECRET BERN, May 20, 1950—10 a. m.

623. Excon. Re Deptel 2214 to Paris May 15, repeated Bern 577.[1] Legation concurs that US policy re Swiss problem should follow CG decision.

Owsley[2] and I had conversation today with Zehnder (Deputy Chief Foreign Office)[3] in which he acknowledged that Switzerland was taking an active interest on the developments on export controls in Paris. I received no encouragement, however, re the possibility that Switzerland would adopt comparable measures in near future. He was

[1] In early May, Switzerland made a tentative inquiry through Belgium regarding the content of the international security control export lists and the progress made by the Coordinating Committee in developing a trade control system. In the telegram under reference here, not printed, the Department of State stated that it would be desirable to have a full review of the Swiss situation at the forthcoming meeting of the Consultative Group. The Department took the position that unless there was an indication that Switzerland intended to tighten its export controls, particularly those which permitted transshipment and diversion of strategic materials, the United States might find itself in a position of recommending to the Consultative Group more severe treatment of exports to Switzerland than had been the practice until then (450.6031/5–1150).

[2] Charles H. Owsley, Second Secretary in the Legation in Bern.

[3] Dr. Alfred Zehnder, Chief of Political Affairs, Swiss Political Department.

inclined to minimize importance of strategic items of Swiss origin reaching east but he frankly admitted that transit trade was serious problem. I believe that thought might be given by the Department and by CoCom Paris of making joint approach to Swiss.[4] It should be a condition precedent to such an approach, however, that countries participating CoCom can demonstrate that Western export control system would be wholly effective but for the absence of Switzerland in the line-up.

Sent Department 623, repeated information Paris 50.

VINCENT

[4] At its meeting on May 31, the Consultative Group agreed to present information to Switzerland on export control programs; see telegram 2644, June 2, from Paris, p. 136.

450.6031/5-1750: Telegram

The Acting Secretary of State to the Embassy in France [1]

SECRET PRIORITY WASHINGTON, May 20, 1950—5 p. m.

2316. Excon. We are disturbed by report urtel 2367 May 17.[2] Suggest you approach Brit and Fr colleagues and refer to Secy's conversations Bevin and Schuman[3] and agreement reached tripartite Paris mtgs May 8 and 9.[4]

In those mtgs agreement reached to go through 1-B list *ad seriatim* and place items on Internatl Lists I, II or III. But Brit position in CoCom appears contravene specific agreement tripartite mtgs and position established by Secy in talk with Bevin (Secto 217, May 10[5]). Believe Emb on this basis can press Brit strongly. Emb London at its discretion may wish approach FonOff indicating US views and concerns. Urtel indicates somewhat better performance by Fr than by Brit.

While we agree necessity technical discussions, believe important for record in view Secy's discussion to have CoCom go through 1-B list and make specific disposition each item even though this means putting all items List III for consideration by technical Comites.

Believe these tactics may soften opposition and result some items being placed on Lists I or II. Strong case shld be made each item particularly those for which there is little Eur production. On such cases other Reps might be pressed for explanation their objections inclusion

[1] Repeated to London as telegram 2438.
[2] *Ante*, p. 128.
[3] Regarding Secretary Acheson's conversations with Schuman on May 8 and with Bevin on May 10 regarding East-West trade, see Martin's undated memorandum, p. 123.
[4] Regarding the meetings under reference here, see Armstrong's undated memorandum, p. 116.
[5] Not printed.

Lists I or II when US and only one or two other countries might be affected.

In spite dark picture painted urtel we believe Brit in vulnerable position on procedural aspects and that time has come press vigorously at all levels serious consideration these items. Brit have already stated (London tel 2332 Apr 28 rpt Paris 681 [6]) they able add "few" 1B items to List I and "limited number" to List II.

WEBB

[6] Not printed.

450.6031/5-2250 : Telegram

The Ambassador in the United Kingdom (Douglas) to the Acting Secretary of State

SECRET LONDON, May 22, 1950—7 p. m.

2838. Excon. Embassy representative discussed Paris telegram 2367 May 17 [1] and Deptel to Paris 2316 [2] May 20 repeated London 2438 with FonOff and Ministry Defense today. British officials admit general misunderstanding re tripartite agreement for action in CoCom on May 15 and to unfortunate nature CoCom discussions on May 15 and 16. However, state British proposal study 1-B list by categories not in conflict with tripartite agreement and made only after chairman had attempted force immediate item-by-item consideration at May 15 meeting. They believe this would have been most unfortunate and think that present arrangements for examining lists can be concluded by end July with much better results than would otherwise have been achieved because of extensive technical interchanges which are required before positions can be clarified re particular items. Again stated preference bilateral discussions re 1-B items before final positions taken in Paris group.

British now fully aware of desire press 1-B negotiations to early conclusion, however, and FonOff communicating to Coulson their desire achieve closer cooperation this end. They do not think, however, that current committee work can be avoided or shortened to any great extent.

Most important development of conference was FonOff statement that immediate steps being taken review British policy re strategic export controls at ministerial level. This reexamination of policy will be made on basis definite policy differences between US and UK this field. Department and Paris may wish consider means avoiding additional direct clashes in negotiations, pending outcome of British study.

[1] *Ante*, p. 128.
[2] *Supra*.

Embassy will endeavor keep Department and Paris currently advised re progress this matter.

Repeated info Paris 899 for Baldwin and Bartlett.[3]

DOUGLAS

[3] Charles F. Baldwin, Counselor of Embassy for Economic Affairs in the United Kingdom, and Frederic P. Bartlett, First Secretary in the Embassy in the United Kingdom, both of whom were at this time visiting Paris.

450.6031/5-2450 : Telegram

The Ambassador in France (Bruce) to the Acting Secretary of State

SECRET NIACT PARIS, May 24, 1950—8 p. m.

2492. Excon. 1. As previously reported (Embtels 2367, May 17,[1] 2390, May 19 [2]), present status 1B negotiations is:

(*a*) PC acceptance individual 1B items for List II (or alternatively List I or III)—even on basis List II concepts—deferred for further CoCom discussion. Such discussion deferred pending technical review most items tentatively scheduled through June (Embtels 2413, May 21, 2440, May 23 [3]). Time and extent ultimate acceptance for international lists uncertain. CoCom discussions forecast considerable PC resistance reflecting highly selective approach, economic impact, administrative difficulties, and claimed intent that List II be kept short.

(*b*) List II control procedures scheduled for CG discussion May 31. Two issues may be involved. First, France and UK have informally indicated possible interpretative question on List II concept as approved January meetings. (See January 19 report by Working Committee on List; reference Embassy despatch 962, May 2, 1950.[2]) French suggest concept does not obligate PC's to pre-shipment control. UK suggests concept does not obligate PC's to immediate pre-shipment control, but allows surveillance with later introduction formal or informal unilateral control where found necessary. Second, discussion US proposal for new multilateral List II controls (preconsultation and quotes in addition to current information exchanges) is scheduled.

2. Subject concurrence Department, Embassy recommends that US CG delegate position on above issues be:

(*a*) Confirmation that January CG agreement List II requires (1) institution by PC's of formal or informal pre-shipment controls, (2) restriction exports to EE in administering such controls, and (3) exchange of relevant information;

(*b*) Exposition of US pre-consultation and quota proposals at CG, but deferral of decision until next CG meetings; and

(*c*) CoCom be instructed expedite technical expert review of items and proceed soonest consider addition 1B items to international lists as presently defined by CG.

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[1] *Ante*, p. 128.
[2] Not printed.
[3] Neither printed.

3. CG will also consider May 31 following general aspects control problems applicable both to 1A and 1B lists:

(*a*) Basic difference in PC policy approaches to further control i.e., UK approach of controlling only key items in fields which normally contribute directly to military potentials vs. US thesis that, in current situation, all items having major industrial significance contribute directly to Soviet war potential. (UK approach reportedly represents cabinet decision according informal remarks UK CoCom delegate. Apparently scheduled for review according London telegram 2838, repeated Paris 899, May 22.[4] Informal remarks French CoCom delegate indicate possible similar French review.

(*b*) Difference between US and UK concepts in selecting specific items to be controlled. UK proposes restricting selection to relatively smaller number so-called key items.

4. With respect 3(*a*) above, split seriously hampers conduct and results of negotiations. If CoCom consideration of technically reviewed 1B items to be constructive policy, difference must be immediately resolved. Such resolution could be produced by CG agreement that multilateral control program is directed to limiting export to Soviet bloc of items of high value Soviet bloc war potential and not limited only to items normally employed in West for direct military item production.

Subject concurrence Department, it is recommended that US delegate to CG indicate (1) that current control program is another facet of basic mutual security effort recently discussed London; (2) that US is of opinion, based on available intelligence, Soviet bloc currently making wide use normal peacetime industry to build up maximum war machine and therefore 1B items properly classified as war potential for Soviet bloc notwithstanding peacetime uses some of these items in Western countries; (3) that permitting export significant quantities 1B items to Soviet bloc (thus aiding increased power Soviet war machine while Western nations undertaking major effort to establish more effective Western industrial war potential) would be inconsistent with recent London discussions, even with due regard to balancing relative advantages in East-West trade. If above approach acceptable, request Department provide soonest maximum information regarding utilization of Soviet industry for building war machine. Provide illustrative examples for disclosure to PC's and estimated percentage total national income Soviet bloc being directed military effort.

5. With respect to 3(*b*) above, subject concurence Department believe position CG delegate this issue should be: (1) that US has consistently employed selective approach this control as evidenced by narrowness of listings on 1A List and by partial or complete exclusion many industrial and other fields from 1B List; and (2) that PC selection of specific items for control should not be governed by

[4] *Supra.*

arbitrary principle that control lists should contain only few items, but instead should depend on analysis of individual items.

6. Embassy believes most progress obtainable by (1) going on record at CG regarding US proposal preconsultation and quotas; (2) not forcing decision now such proposals in absence agreement regarding items to be so controlled; and (3) pressing strongly for resolution above policy issues now obstructing CoCom consideration individual 1B items and for earliest CoCom consideration such items. Believe this approach if successful will achieve at least some degree effective control List II items. Still believe (1) above closely related final implementation control List II items, but believe final consideration can await further developments and disposition items.

7. If Department agreeable above CG position, US delegation suggests authority for immediate high level approach Paris and if Embassy London agreeable, in London for advance presentation US views.[5] Regard such approach as reasonable follow-up Secretary's recent talks Bevin and Schuman and timely in view UK and French review mentioned 2(*a*) above. Without such approach, doubt definitive results can be expected from May 31 CG discussion.

8. Above approach viewed as fruitless if US technical experts not made available as urgently requested (Embtel 2931, May 19[6]).

9. Above discussed with Martin of Department and with Baldwin and Bartlett of London Embassy.

10. May 31 date for CG meeting now confirmed.

Repeated information London 699.

BRUCE

[5] In telegram 2450, May 29, to Paris, repeated to London as 2589, not printed, the Department of State approved the proposed position for the Consultative Group meeting and the approach to the British and French Governments set forth in the telegram printed here (450.6031/5–2950). The substance of sections 2 through 6 of this telegram were set forth in an *aide-mémoire* of May 30 from the Embassy in the United Kingdom to the British Foreign Office, a copy of which was transmitted to the Department of State as an enclosure to despatch 2752, June 7, from London, neither printed (450.6031/6–750).

[6] Not printed.

450.119/6–250 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

SECRET

PARIS, June 2, 1950—6 p. m.

2644. Excon. A. CG meeting report (per agenda Embtel 2514 May 25[1]):

1. All CoCom recommendations agreed subject: UK undecided some items; US accepted lists subject clarification or expansion some items;

[1] Not printed.

Belgium unprepared accept lists in view lack French translation; Norway uninstructed on lists and information exchanges.[2]

2. Tanker decision[3] suspended pending Dutch and Danish consideration Italian proposal (strongly supported by French) that no list I acceptance be qualified but each PC entitled have special CoCom consideration of hardship cases before making trade commitments. Dutch and Danes considered such pre-consultation unfeasible and therefore probably unacceptable to their governments. If unacceptable CoCom will consider further.

3. Danes repeated January general reservation claiming special economic situation and small volume strategic exports. Also noted lack existing controls. However, will submit 1949 export figures and maybe reconsider position if CoCom considers amounts "dangerous". Extension Italian proposal (see 2 above) to Danish general reservation considered by Danes unacceptable now. France and UK opposed Danish position as endangering common front.

4. No decision basic policy conflict. US discussed US system, stressing selectivity and evaluation extent Soviet concentration on war potential. USDel stated total embargo logical extension of general approach but would relay US remarks to London. French stated general agreement US objective but felt proposing PC should demonstrate how control would affect Soviet vulnerability and relative East-West advantages. CG agreed on early CoCom reading 1–B items after current technical review for prompt listing of items mutually acceptable regardless of policy approach.

5. Accepted US suggestion for deferring decision on new list II procedures until list II selections made. January list II principles confirmed for interim.

6. Agreed any PC could submit special information in addition to export statistics and CoCom could discuss.

7. Chairman stressed importance of transit trade controls. CoCom urged to develop effective methods promptly.

8. Confirmed November trade agreement principles without discussion. Italy made no new proposals.

9. CG chairman will present Int lists I and II and CoCom progress information to Swedes and Swiss and inquire possibility their adopting similar controls. Chairman suggested individual PC's also make individual approaches.[4]

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[2] The Consultative Group was considering a report of May 25 from the Coordinating Committee reviewing the Committee's work since February on such matters as the policy towards Yugoslavia, the special position of Austria and Finland, the question of transit trade, and the consideration of International Lists I, II, and III. The report asked the delegates to the Consultative Group to signify their governments' acceptance of the various Coordinating Committee recommendations on these and other subjects.

[3] In early May the Coordinating Committee agreed to include tankers and whalers on International List I. In agreeing, Denmark reserved the right to issue export licenses for tankers if it were found that they were indispensable for the conclusion of trade agreements with Eastern European countries, and the Netherlands agreed subject to the reservation that prior trade commitments would have to be fulfilled. The matter was referred to the Consultative Group for resolution. Both Denmark and the Netherlands withdrew their reservations during the summer of 1950.

[4] Consultative Group Chairman Hervé Alphand (Director General for Economic and Financial Affairs, French Foreign Ministry) carried out the agreed upon *démarches* to the Swedish and Swiss diplomatic representatives in Paris

Footnote continued on following page.

10. Agreed CoCom could consider any matter within CG competence. Also agreed any unanimous CoCom agreement on basis government instructions be treated as action decision for immediate PC adoption without CG confirmation. CG also agreed CoCom authorized to discuss any matter within CG competence. Also agreed CG could be called into special sessions on request any PC when necessary without awaiting regular periodic meeting.

B. Per Deptel 2450, May 29,[5] US representative held preliminary discussion May 30 with CG chairman Alphand re general US policy and CG agenda. Alphand said France prepared control or embargo any item on showing vulnerability Soviet economy which he agreed largely devoted military preparation. Re agenda, Alphand expressed hope tanker reservations might be rejected by CG in order avoid French necessity entering similar reservations on oil pipe. (This situation reflected in CG meeting during which Alphand attacked reservation and persuaded Danes and Dutch to agree consider acceptance Italian proposal, thus avoiding general retreat from list I principles.)

C. At suggestion Alphand, US representative at executive session June 1 gave delegation heads resume of reasons for US attachment importance export controls, basing talk on OIR study as authorized Deptel 2458, May 29,[6] stressing degree to which Soviet economy devoted to military preparation, and that US selection items made on basis lend-lease, military, trade and US wartime industrial experience. Feel definite impression made on CG delegates, some of whom stated that this was first time they understood reasons for deep US interest.

D. Believe progress made, although reservation to list I and Danish problem not settled. If policy problems resolved (item 4) we might expect substantial progress in listing 1–B items.

E. Summary decisions of CG and full report of meeting will follow by air pouch.

Sent Department 2644; repeated info London 736, Bern, Brussels, Copenhagen, Frankfort, Hague, Oslo, Rome, Stockholm, Trieste, Vienna unnumbered.

BRUCE

Footnote continued from preceding page.

in early July. The September 12 meeting of the Coordinating Committee was informed by the French Delegate that Alphand had received no definitive responses to his approaches (Despatch 650, September 13, from Paris: 460.509/9–1350).

[5] Not printed, but see footnote 5, *supra*.

[6] Not printed. It authorized the American Delegation to the Consultative Group to emphasize that the current high rate of Soviet industrial production devoted to military purposes constituted a real threat to Western security. Any export to the Soviet bloc of essential raw materials or industrial components added directly to the strength of an industrial organization already geared for war production at a rate higher than that of the West and thereby contributed to a greater relative increase of Eastern Europe's military potential. In advancing this argument, the American Delegation was authorized to use OIR Report 5204, May 5, 1950, a 25-page report by the Division of Research for Europe of the Office of Intelligence Research entitled "Impact of Export Controls on East-West Trade" (450.6031/5–2950).

S/S–NSC Files : Lot 63 D 351 : NSC 69 Series

Memorandum by the Secretary of Commerce (Sawyer) to the National Security Council [1]

TOP SECRET WASHINGTON, June 6, 1950.

Subject: Export of Steel Mill Equipment to Austria

1. The Commerce Department, together with the Advisory Committee on Requirements,[2] has reviewed the application for the export of steel mill equipment to Austria. In view of the security and foreign policy questions raised, the National Security Council is asked to review the policy with respect to U.S. exports of such capital equipment to Austria which will or can produce strategic goods for movement to Eastern Europe.

2. The specific project involved was reviewed by, and received the approval of, Defense, State, Commerce, NSRB and ECA in 1948, and has been reviewed and approved by the Vienna Screening Committee.[3] It is part of an extensive ECA program to modernize the steel industry of Austria. A detailed statement of this and related steel projects destined for Austria is to be found in Attachment 1. (OC Document No. 356) (Revised [4]).

3. The Defense Department, after a review by the Joint Chiefs of Staff, has recommended denial of the application on the following grounds:

(*a*) The subject equipment has a potential capacity considerably greater than the utilization planned in the ECA project. In consequence of the current surplus supply position of the Western European steel industry, this potential capacity would tend to increase the export of militarily important steel products to the Soviet bloc.

(*b*) Control of Austrian exports of strategic items to the East is and probably will remain ineffective under quadripartite occupation,

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[1] This memorandum was circulated to the National Security Council under cover of a memorandum of June 7 by Council Executive Secretary Lay, not printed, which observed that in accordance with the request of the Secretary of Commerce for an early review of the problem by the Council, this memorandum had been placed on the agenda of the Council's next regular meeting scheduled for June 15 (S/S–NSC Files, Lot 63 D 351, NSC 69 Series). This memorandum and other aspects of the East-West trade control problem were not, in fact, taken up by the National Security Council until August 24; for the record of actions at that meeting, see p. 179.

[2] An interdepartmental committee, including representatives from the Departments of State, Commerce, and Defense, and the National Security Resources Board, which advised the Secretary of Commerce on the domestic and foreign policy and national security aspects of export controls.

[3] The Vienna Screening Committee, composed of representatives from the Economic Cooperation Administration Mission in Austria, the Legation in Austria, and American occupation forces, reviewed exports of strategic items from Austria.

[4] The paper under reference here, a report of May 10 from the R Procedure Subcommittee (an interdepartmental committee which advised the Secretary of Commerce on export license cases) to the Operating Committee (the executive committee of the Advisory Committee on Requirements), is not printed.

with the result that control of 1B items produced by the equipment cannot be expected.

(*c*) The plant is located across the river from the Russian zone. In case of war the installation in all probability would fall intact to the Soviets.

The position of the Defense Department is presented in Attachment 2. (ACR Document No. 52.[5])

4. The representatives of State and ECA remain strongly convinced that the project should be approved on the following grounds:

(*a*) Denial now, when equipment is ready for shipment and after top level approval for ECA financing, would be a damaging blow to Austrian morale. In recent elections the Austrians rejected Communist candidates with very heavy majorities. Denial of the subject case would be followed by a Soviet propaganda campaign to the effect that the Western countries were ready to abandon Austria, and would cause widespread discouragement.

(*b*) The political effects of denial would not be confined to Austria, since denial would be taken more generally in Europe as the sign of an American retreat.

(*c*) Denial would prevent the strengthening of the Austrian economy, which is part of the European Recovery Program, by impeding the modernization of its productive facilities and the manufacture of goods it must trade with Eastern Europe in return for food and raw materials.

(*d*) Austrian ECA steel projects have already been extensively revised to place the accent on civilian type products and to emphasize replacement rather than expansion of steel capacity. The main purpose of the subject equipment is to produce at lower cost goods which, for the most part, can be exported freely from the United States.

The position of the ECA, which is concurred in by the State Department, is presented in Attachment 3. (OC Document No. 356, Supplement 1.[6])

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[5] The paper under reference here, dated May 17, from the Department of Defense Representative to the Operating Committee, is not printed.

[6] Not printed.

S/S–NSC Files : Lot 63 D 351 : NSC 69 Series

Memorandum by the Secretary of Commerce (Sawyer) to the National Security Council [1]

TOP SECRET WASHINGTON, June 8, 1950.

Subject: Strategic Rating of Railroad Transportation Equipment

1. The Commerce Department, together with the Advisory Committee on Requirements, has reviewed the strategic importance of railroad transportation equipment to the Soviet Orbit at the request of the Department of Defense that such equipment be given embargo treatment. Agreement has been reached on the strategic importance of the transport network in the Soviet Orbit and on an embargo rating for electric, Diesel and Diesel-electric locomotives, railway signals and specialized parts for both of these sets of equipment.

However, serious differences still exist, particularly between the Departments of State and Defense, on the strategic importance of steam locomotives, freight cars and steel rails for the Soviet bloc. In view of the foreign policy and security questions raised, the National Security Council is asked to review the issues and establish the policy on the strategic rating of railroad transportation equipment. To assist in this review, detailed statements containing pertinent data on the strategic evaluation of railway equipment and rails are presented in Attachments 1 and 2. (OC Document No. 352.2, Revised, and OC Document No. 352.1.[2])

2. The Department of State, with the support of ECA, has recommended that steam locomotives, freight cars and steel rails should continue to be rated 1B on the following grounds:

(*a*) State intelligence sources estimate that the trade in the subject rail items is small and that the demand from the Soviet bloc is negligible in relation to their total requirements. Therefore, an embargo of such rail equipment would not create a critical situation in the transportation network of the Soviet bloc and would probably not seriously affect Soviet war potential.

(*b*) The embargo of this rail equipment would become a precedent for the embargo of the entire transportation field, if there is no need to establish Soviet bloc dependency on outside sources for more than insignificant quantities. This proposal, if accepted, would also affect the entire steel field, including products no longer under export con-

[1] This memorandum was circulated to the National Security Council under cover of a memorandum of June 9 by National Security Council Acting Executive Secretary S. Everett Gleason, not printed, which observed that in accordance with the request of the Secretary of Commerce for an early review of the problem by the Council, this memorandum had been placed on the agenda of the Council's next regular meeting scheduled for June 15. This memorandum and other aspects of the East-West trade control problem were not, in fact, taken up by the National Security Council until August 24; for the record of actions taken at that meeting, see p. 179.

[2] The documents under reference here, reports dated April 14 and April 4, respectively, to the Operating Committee from various committee task groups, are not printed.

trol, because of the simplicity of rail production and the ease of shifting steel production among various rolled products.

(*c*) The addition of this new field of equipment for embargo would impede progress in negotiations for parallel action by making other countries feel that there is no end to U.S. requests for curtailment of their trade. This move would widen the serious discrepancy which already exists between U.S. export policy and that of other countries, particularly the U.K. It would also jeopardize the negotiations now going on for the purpose of reaching agreement on export controls to the Far East.

(*d*) Extension of the embargo list would directly interfere with East-West trade and in this way impede European recovery and hurt U.S. interests. Western Europe has moved from the production phase to the recovery phase which requires expansion of trade. In trade items, such as those under discussion, Western European economies are complementary with Eastern Europe. There is, for example, a reverse flow of railroad cars from Hungary and Czechoslovakia to OEEC countries for which the West exchanges axles as partial payment. Additional restrictions would cause economic damage in the West, as well as political difficulties in consequence of increasing unemployment.

The position of the State Department, which is concurred in by the Economic Cooperation Administration, is presented in Attachment 3. (OC Document No. 352.6.[3])

3. The Department of Defense, with the support of the Central Intelligence Agency and the Atomic Energy Commission, has recommended that steam locomotives, freight cars and steel rails should be given embargo treatment on the following grounds:

(*a*) Defense intelligence sources estimate that there is a very critical shortage of transportation equipment in the Soviet Orbit as a result of the destruction wrought by the war and of the delayed rehabilitation programs which they have put into effect. Steam locomotives are substitutes for the other types of locomotives which are agreed for 1A: freight cars have created local and short-term bottlenecks in transport due to shortage and condition; and railway trackage is a factor in current congestion, delays, and accidents, due to poor and inadequate trackage and the poor weight and maintenance of rails. This is significant when account is taken of the importance of railroads to the Soviet economy, which is responsible for 85 percent of the total freight. Therefore, an embargo of rail equipment would maintain a critical situation in the transportation network of the Soviet bloc.

(*b*) Major construction is in progress in the Soviet bloc rail network intended primarily for strategic modernization and extension of the rail system for military purposes. Further, it is increasingly difficult to distinguish between military and civilian uses of the transport network and to disassociate the needs of the Soviet bloc from those of Communist China. Finally, any extension of the transport network of the Soviet bloc, supported by imports from the West, might be used directly to enable the expansion of atomic energy facilities.

(*c*) The Defense position does not require a showing of Soviet bloc dependency on outside sources for important quantities of transporta-

[3] The document under reference here, dated April 17, is not printed.

tion equipment because transportation forms a vital strategic element in the war potential. The strategic situation is such that any shipment would be incompatible with our national interests.

The position of the Defense Department is presented in Attachment 4. (OC Document No. 352.1, Supplement 1.[4])

[4] Not printed.

340.240/6-950 : Telegram

The United States Delegation to the Economic Commission for Europe to the Secretary of State [1]

CONFIDENTIAL GENEVA, June 9, 1950—1 p. m.

709. Noce 748. From USDel ECE.

1. Commission meetings June 7 and 8 [2] devoted principally to discussion Trade Committee,[3] USSR [resolution?] on discrimination and dumping [4] and Yugoslav resolution, substance of which in paragraph 5 below.

2. Myrdal [5] in opening discussion indicated procedure he proposed to follow in further developing grain exchange, viz. Secretariat to work out specific proposals keeping in close touch government technical experts.[6] Hoped to have concrete proposals by end of July. If governments found them satisfactory basis for discussion, would call meeting late in summer. Myrdal noted Trade Committee lack of progress but recommended that it be kept in being because of possibility success in grain agreement.

3. USDel in attempt to dispose of USSR resolution before general debate on Trade Committee, opened debate. Asher [7] made short state-

[1] This telegram was transmitted via the facilities of the Consulate in Geneva.

[2] The Fifth Session of the Economic Commission for Europe was held in Geneva, May 31 to June 15, 1950; for the official report on the session, see Part III of the Annual Report of the Economic Commission for Europe, May 22, 1949–June 15, 1950. U.N. doc. E/1674 (E/ECE/119), June 15, 1950. For a summary analysis of the session, see telegram 742, Noce 757, June 16, from Geneva, p. 33.

[3] The reference here is to the ECE Committee on the Development of Trade. For documentation on the participation by the United States in the activities of this Committee during 1949, see *Foreign Relations*, 1949, vol. v, pp. 61 ff.

[4] In the course of the Commission's discussion of the work of the Committee on the Development of Trade, the Soviet Delegation proposed a resolution instructing the Committee to develop recommendations for measures to develop and extend trade between European countries and to eliminate the alleged discrimination practiced by the United States and certain unnamed European countries, and requesting the ECE Executive Secretary to submit a report on the adverse effect to the economy of European countries of American exports "imposed under the Marshall Plan".

[5] Gunnar Karl Myrdal.

[6] Regarding the proposals for a "grain exchange" under reference here, see the editorial note, p. 233.

[7] Robert E. Asher, Chief of the United States Resident Delegation to the Economic Commission for Europe; Alternate United States Representative to the Fifth Session of the Commission.

ment emphasizing security reasons for licensing, reiterating support for peaceful expansion East-West trade and willingness to consider any specific proposals re grain developed by Executive Secretariat, and emphasizing Eastern European reluctance to export as principal limiting factor Eastern European-Western trade. He emphasized propaganda nature USSR resolution and called for prompt rejection.[8] Attempt to force early vote on resolution failed and subsequent discussion dealt jointly with work of Trade Committee and USSR resolution. Eastern European countries strongly supported USSR resolution, made usual statements on discriminatory policy US and Western Europe, concentrating more of attack on US and less on Western Europe than heretofore. Usual themes of US exploitation, aggressive intent, opposition to Socialism, etc., predominated. It was also frequently maintained that Eastern Europe not being hurt by licensing policy and not dependent East-West trade but that Western Europe was suffering. By assertion and by copious quotation of obviously inaccurate figures, Eastern European countries also sought to build case that through Marshall Plan, US "imposed" exports on Western Europe retarding agricultural and industrial development those countries. Eastern European countries supported continuation Trade Committee, expressed interest in further development Myrdal's grain proposal and blamed US policy for stagnation Trade Committee. Yugoslav who spoke early in debate also drew much of Eastern European fire.

4. Vilfan[9] speaking for Yugoslavia, opened by urging that Trade Committee not only continue but expand. He deferred [*differed?*], however, with approach of Trade Committee and Executive Secretariat on grounds that it based on expansion of trade between two economic blocs rather than among European countries. Referring to USSR draft resolution, he then launched into attack upon economic warfare practiced upon Yugoslavia by Soviet Union and other Eastern European countries. In forceful recapitulation progressive breaking of all economic ties Eastern European countries with Yugoslavia, he built up impressive case. Yugoslav outspoken attacks on Soviet Union and other Eastern European countries have characterized entire session and in particular Trade Committee discussions. Texts of principal speeches by Vilfan will be airmailed Department. In countering Yugoslav attacks, Eastern European countries resorted principally to epithets and charges of Yugoslav domination by US. Specific charge of economic warfare at no point denied by Eastern countries. Poland,

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[8] A substantial excerpt from Asher's statement of June 7 is printed in Raymond Dennet and Robert K. Turner, eds., *Documents on American Foreign Relations*, vol. XII, *January 1–December 31, 1950* (Princeton, New Jersey: Princeton University Press for the World Peace Foundation, 1951), pp. 53–54.

[9] Joža Vilfan, Yugoslav Second Deputy Foreign Minister; Yugoslav Representative to the Fifth Session of the Economic Commission for Europe.

rather than USSR most aggressive of Eastern countries in attacks both on US and on Yugoslavia. Albania most slanderous.

5. Yugoslavia, although early in debate had indicated might introduce a resolution directed at Soviet Union's economic warfare against Yugoslavia, did not offer formal resolution until repeated charges by Eastern countries against Tito government; finally after a number of interventions by Polish delegate, Yugoslavia introduced resolution which in substance called upon USSR, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, and Albania on one hand, and Yugoslavia on other, to submit to Secretariat data they considered necessary for illustrating the character and effect on economic relations which had existed between them, and requested secretariat to forward materials thus collected to governments of all aforementioned countries for further comment, and to submit a report to next session of committee on development of trade.

6. UK made most outspoken statement of any Western European country defending licensing policy, Marshall Plan, etc. Scandinavians in general endeavored to avoid substance of discussion trade discrimination and "dumping" and indicated opposition to USSR resolution as a political question which had no place in ECE debate. Danes also deplored Yugoslav attacks on Eastern countries and drew from Yugoslavs an even more forceful statement of their case than earlier speech. Belgium and Netherlands spoke out against USSR resolution and countered anti-Marshall Plan charges of East, Dutch in particular refuting charges that Western Europe being forced to take US goods.

7. In vote on Soviet resolution Yugoslavia abstained, five Eastern countries voted for and eleven Western European countries against.

8. There was another round of speeches explaining votes following formal introduction of Yugoslav resolution. Philip [10] opened by drawing distinction between Soviet resolution and indicated he had been much impressed by fact that countries to which Yugoslavia had referred replied not with facts but with epithets. He added, however, that Yugoslav resolution would [not?] in his view lead to a solution of problem, that it was function of ECE Trade Committee to try to restore trade and not to arbitrate disputes and that for these reasons he would abstain. Philip vigorously attacked by Arutiunian who declared that abstention indicated a desire to frustrate work of committee. Eastern countries generally attacked both Philip and Yugoslavia. Scandinavian countries indicated that they would vote against Yugoslav resolution on grounds that it not appropriate type of work for commission. Finns raised question of possible conflict between resolution and terms of reference which state that commission may take no action with respect to any country without the consent of that

[10] André Philip, Deputy in the French National Assembly; Chairman of the French Delegation to the Economic Commission for Europe.

country. Further debate adjourned while Secretariat and chairman ponder ruling on this point. If proposal brought to a vote, US proposes to abstain, explaining abstention in terms similar to French. Believe UK, Benelux, Greece and Turkey will do likewise.[11]

9. Commission received request from ICFTU to speak on economic situation and will be heard, together with WFTU in discussion of survey. Commission heard Myrdal's explanation of proposed new work on price information and financial questions. UK indicated coolness to first and opposition to second. US indicated support of first and opposition to second.

French indicated luke-warm support of first but did not comment on second. Further discussion on both questions being continued by Myrdal with heads of delegations and upshot will be reported in later telegram.

10. Report of Transport Committee, which had been postponed until solution of Polish freight car issue, was taken up as last item June 8 and noted. Separate telegram being sent on freight car settlement.

Sent Department 709; repeated information Paris Torep 95. [USDel ECE.]

[11] Telegram 721, Noce 751, June 11, from Geneva, not printed, proposed that the United States Delegation to the Economic Commission for Europe abstain from voting on the Yugoslav resolution on the grounds that nothing was to be gained by its passage, but the United States Delegation would state that the Yugoslav Delegation had made a convincing case and had indicated Yugoslavia's success in maintaining its independence (340.240/6–1150). Telegram 703, Econ 574, June 12, to Geneva, not printed, authorized this proposed line of action, but only on the assumption that the Eastern European Delegations would not withdraw from the meetings over the issue (340.240/6–1150). Telegram 728, Noce 755, June 13, from Geneva, not printed, reported that the Economic Commission for Europe that day voted down the Yugoslav resolution 8 to 1 with 8 abstentions. The Scandinavian Delegations joined the Delegations from Eastern Europe in voting against the resolution, while the other Western European Delegations and the United States abstained (340.240/6–1350).

461.119/6–1250: Circular airgram

The Secretary of State to Certain Diplomatic Offices [1]

SECRET WASHINGTON, June 12, 1950—8:10 a. m.

Excon. For information there follows the "Definitions of U.S. Criteria for 1A and 1B Policy and Commodity Areas Covered". This paper was used as a basis for Tripartite meetings held with the British and French prior to the Consultative Group Meeting held in Paris May 31:

[1] This circular airgram was sent to the Embassies in Brussels, Copenhagen, London, Oslo, Paris, Rome, Stockholm, The Hague, Belgrade, Ankara, Athens, Lisbon, Ottawa, Moscow, and Warsaw, to the Legations in Bern, Dublin, Reykjavik, Vienna, Bucharest, Budapest, and Helsinki, and to the Office of the High Commissioner for Germany in Frankfort.

Definitions of Class 1A and Class 1B

Class 1A is defined as follows:

Class 1A includes all materials or equipment which may contribute to the war potential of the Soviet Bloc to such a great extent that no export of such materials or equipment should be permitted to the Soviet Bloc.

One of the following criteria must be met for Class 1A:

(*a*) Materials or equipment which are designed or used principally for the production and/or development of arms, ammunition and implements of war.

(*b*) Materials or equipment which would contribute significantly to the war potential of the Soviet Bloc where the items incorporate advanced technology or unique technological know-how. It applies only to goods sufficiently important to the war potential of the Soviet Bloc that the absence of an embargo would permit a significant advance in Soviet Bloc technology over its present level of development.

(*c*) Materials or equipment which would contribute significantly to the war potential of the Soviet Bloc in that the items, if embargoed, would maintain or create a critical deficiency in the war potential of the Soviet Bloc.

Class 1B is defined as follows:

"Class 1B includes all materials or equipment which are highly important from the point of view of their contribution to the war potential of the Soviet Bloc and of which the high strategic character is directly related to the quantitative extent to which they may be exported to the Soviet Bloc."

In line with the above principles the United States' control of exports for security purposes can be summarized as follows:

Area of Commodity Coverage

Arms and arms production

1. Arms, ammunition and implements of war.

2. Quasi arms (materials or equipment which are brought to bear against the enemy, or used in repelling his attacks, but which also have non-military uses; such as, motor boats, radar and certain explosives).

3. Materials or equipment for arms production

(*a*) Specialized tools and plant (such as machine tools used principally to produce arms).

(*b*) Materials (such as chemicals used to produce high explosives).

Industrial potential

1. Basic needs

(*a*) Research and development (precision instruments, information on production, and prototypes).

(*b*) Critical materials, components or equipment, (items which cut across wide fields of industry and which, if short, materially reduce

war potential, such as ball bearings, tin, and machine tools of various sorts).

(*c*) Other basic productivity contributions (items which in any basic industrial field permit the use of new techniques and by this means expand industrial potential; for example, a modern rayon plant or key equipment of such plant).

2. Key industrial areas

(*a*) Electric power
(*b*) Minerals production

(i) Coal
(ii) Petroleum
(iii) Other, including uranium ore mining

(*c*) Transport and communications

(i) Rail transport equipment
(ii) Road transport equipment
(iii) Water transport equipment
(iv) Communications equipment

(*d*) Metallurgy

(i) Iron and steel plant or equipment
(ii) Other metal producing plant or equipment

(*e*) Construction equipment
(*f*) Chemical plant or equipment

ACHESON

460.509/6–1550

Memorandum by Mr. R. Gordon Arneson, Special Assistant to the Under Secretary of State [1]

TOP SECRET [WASHINGTON,] June 15, 1950.

I understand that the Secretary has requested that S/S supply through you appropriate documentation in order that he may study all aspects of the problem of East-West trade.

This office and the staff of the Atomic Energy Commission have been seriously disturbed to note increasing evidence that Western European countries are not cooperating wholeheartedly to set up controls banning strategic exports to the Soviet bloc. The lack of progress made in selling a portion of the U.S. embargo list and the bulk of the U.S. restricted list presents an anomaly to MAP since Western Europe continues to supply large quantities of important industrial materials for development of Soviet military potential. Moreover, and of direct concern to this office, it is not unlikely that ability to secure these

[1] Arneson, who was responsible for atomic energy policy matters, directed this memorandum to Under Secretary of State Webb. Arneson apparently also expected that it would be seen by Secretary of State Acheson. There is no evidence in the files to confirm that either Acheson or Webb actually saw this paper.

materials from the West enables the Soviets to proceed more rapidly with their atomic weapons program.

For the past two years we have carried on, in collaboration with the Atomic Energy Commission, a program to secure control of atomic energy items by other governments under policies and procedures similar to those in effect in the United States. This program, by mutual agreement between the Department and the ECA, was carried forth separate from the negotiations of ECA and the Department regarding military and strategic industrial items. The balance sheet after two years is:

1. *Regarding atomic energy items*, complete agreement in principle and establishment of controls of varying natures have been obtained from the Governments of Sweden, Norway, United Kingdom, Canada, France, Belgium, the Netherlands and Italy. The Allied High Commission for Germany has issued a law controlling atomic energy items and steps are now being taken to work out the necessary implementing regulations. Swiss officials have expressed informal concurrence with our objectives, but indicate it will take some time to develop official restrictive controls in view of neutrality concepts prevailing in Switzerland.

2. *Regarding military and strategic industrial items*, the major ECA countries have agreed to the major portion of the 1A embargo list, but there is great resistance to accepting a score or so of residual 1A items or to adopting quantitative controls over the several hundred items on the 1B strategic list. In addition, the export control mechanisms of these countries, with the possible exception of the U.K., are notoriously loose and ineffective. Germany presents a particularly difficult problem in this respect, with direct controls administered by local governmental officials and Allied supervision very inadequate.

3. The absence of effective administrative controls over all important industrial items impairs the effectiveness of the control mechanism over atomic energy items inasmuch as such operations as application procedures, license screening and customs surveillance are, to a great extent, common problems. Moreover, many items of importance in atomic energy development have general industrial application, thus requiring close scrutiny of the industrial lists to prevent shipments to undesirable destinations.

4. It is disturbing to note that the Department continues officially to adhere to the basic principles of export control policy established in December 1947, even though the entire political-military balance and timing vis-à-vis the USSR have been radically changed by atomic energy and other developments occurring since the Soviet atomic explosion of September 1949. One main principle stated as "security is best served by maintaining and increasing strength of the West relative to that of the East" is particularly vulnerable in view of the short time which may remain to improve the situation before the Russians are in a position to call the tune themselves.

5. I attach for your attention a memorandum by Mr. Frederick H. Warren, Chief of the Export Control Branch of the Atomic Energy Commission, on the strategic aspects of East-West trade (See Tab

A [2]). Mr. Warren, through participation in inter-agency export control committees, is conversant with policies and procedures in this field. I find quite persuasive his conclusion that the selective approach to the trade problem has been ineffective. However, I feel more direct action than a rehash of the scanty factual data available is called for in the present circumstances.

6. I am aware of the reasoning that to invoke an embargo on trade to the East would cause the Soviets to develop their own industrial plant to the point of complete self-sufficiency and that this would be undesirable. I think this is open to argument that: (*a*) the Soviets can in any event be expected to be working in the direction of self-sufficiency to the maximum extent of their present capabilities; and (*b*) instead of furthering self-sufficiency, we might cause them to be less self-sufficient for an important period of time by forcing them to divert important resources and manpower to construct new plant facilities to produce the items formerly acquired from the West.

R. Gordon Arneson

[2] Not printed.

400.119/6–2350

Paper Prepared in the Department of State [1]

SECRET [Washington, undated.]

Summary of "Review of United States Export Control Policy in Relation to East-West Trade"

The following is a brief summary of the subjects covered in the memorandum of this title. The memorandum itself is attached under Tab I.

[1] Sometime in mid-June, Secretary of State Acheson asked officers of the Department of State for a complete factual analysis of the problems of East-West trade control. The Office of the Assistant Secretary of State for Economic Affairs, in collaboration with the Department's geographic bureaus, prepared a 25-page memorandum entitled "Review of United States Export Policy in Relation to East-West Trade," a two-page summary printed here, and over 100 pages of supporting documentation and tables. The earliest version of the memorandum, which was apparently completed on or before June 23, was read by the Secretary of State and by Ambassador at Large Philip C. Jessup, the Department of State member of the National Security Council Consultants group. A meeting of principal Department of State officers with the Secretary of State on the question of East-West trade was scheduled for the afternoon of June 26 in advance of a National Security Council meeting on June 28 on the same subject in which President Truman was to have participated. Both meetings appear to have been indefinitely postponed as a result of the events attending the North Korean invasion of South Korea on June 25. Revision of the memorandum, which had not been formally cleared by the various geographic bureaus of the Department of State, continued into July and August. In connection with a rescheduled National Security Council meeting for August 24 on the subject of East-West trade, the memorandum was again referred to the Secretary of State. A full copy of the memorandum and its voluminous appendices, together with related papers, revisions, and commentaries, is included in the S/S–NSC Files, Lot 63 D 351, NSC 69 Series. Related documentation is included in the Department of State file 400.119 for 1950 and in the S/P–NSC Files, Lot 61 D 167, East-West Trade. Lot 61 D 167 is a serial file of memoranda relating to National Security Council questions for the years 1950–1961, as maintained by the Policy Planning Staff of the Department of State.

I. Disagreements on policy arise out of differing views toward East-West Trade.

II. East-West European Trade is of substantial economic importance to Western Europe. Total loss of exports to the East would create serious economic problems, particularly in certain countries and in heavy industry. Loss of imports from the East would make it necessary for Western Europe to spend more dollars on essential raw materials. Loss to the Soviet Bloc of imports from Western Europe would not cripple but would slow down eastern industrialization.

Potential trade with China is of great importance to the recovery of Japan.

Complete cessation of trade with the Soviet Bloc would create damage to both sides but, considering the effect on unemployment and political factors, might be more costly to the West than to the East.

III. The effect of controls to date has not been spectacular and is limited largely to control of United States exports. Greatest damage has been to the satellites, whose industrialization program has been curtailed in important industries. The balance of advantage of controls to date is clearly with the West.

IV. The effect of complete acceptance of the United States proposals for parallel controls would be to reduce total Western European exports to Eastern Europe by about 25% and some $200 million and might be to deprive Western Europe of its most strategic raw material imports from the East and necessitate purchases in the dollar area. The further economic recovery of Japan would be hard hit.

Economically the Soviet Bloc might be hardest hit but the political repercussions in Europe and Japan make the balance debatable.

V. The present status of the negotiations with cooperating countries in Paris, the Secretary's talks with Messrs. Schuman and Bevin and other recent exchanges, indicate that agreement will not be reached on a very substantial part of the expanded control program.

VI. The policy issues in the United States Government revolve around the questions of objective, of negotiating tactics and whether the United States should contract its own controls to the lower level of Western European controls. It is recommended that the existing objective and policies be maintained, that the United States cease to add items to the area of negotiating disagreement, and that German and Japanese controls be reduced to the Western European level upon conclusion of the present negotiations in Paris. The level of United States controls should also be decided after that time.

VII. Two specific licensing cases that have been submitted to the National Security Council and three other recently controversial

cases, illustrating the policy differences among United States Government agencies, are described.[2]

[2] The licensing cases under reference here involved Department of Defense proposals regarding the strategic rating of railroad transportation equipment and denial of licenses for equipment of an Austrian steel mill; see the memorandum of June 26 from the Joint Chiefs of Staff to the Secretary of Defense, *infra*. The three controversial cases referred to here involved proposals by the Department of Commerce to use pending licenses for the export of certain ball bearing manufacturing and steel fabricating machinery to the United Kingdom, Sweden, and Italy in obtaining assurances from those countries for cooperation in export control in some parallel cases. Both the Department of State and the Economic Cooperation Administration objected to use of the licenses as a bargaining weapon. Compromise procedures were worked out in connection with these latter three cases.

S/S–NSC Files : Lot 63 D 351 : NSC 69 Series

Memorandum by the Joint Chiefs of Staff to the Secretary of Defense (Johnson)[1]

TOP SECRET WASHINGTON, 26 June 1950.

Subject: East (Soviet Orbit)-West Trade

1. The Joint Chiefs of Staff have recently considered certain facts in connection with the problem of adequate Western control of East (Soviet orbit)-West trade, in particularly the following aspects.

2. A recent naval intelligence report sets forth that, in the opinion of qualified United States observers in Moscow, the dependence of the USSR on Western trade has long been under-estimated. Further, Western observers who have knowledge of conditions in Soviet industry are generally agreed that if the United States were able to establish an effective economic "iron curtain" it would result in the Russian economy's grinding to a stop within a period of five to ten years, and before that time the internal conditions in the USSR would become serious.

3. The Director, Office of International Trade Policy, Department of State, indicated in a report of 20 April 1950,[2] that only fair progress has been made in securing acceptance and adherence by North Atlantic Treaty (NAT) countries of existing U.S. export regulations.

4. The Secretary of Commerce, in NSC 69,[3] set forth that:

a. The strategic advantages accruing to the Soviet bloc from East-West trade are exceeding at an increasingly disproportionate rate, its benefits to Western European economic recovery.

[1] The source text was circulated to the National Security Council on August 15 under cover of a memorandum by James S. Lay, Jr., Executive Secretary of the Council. Lay explained that the memorandum was submitted to the Council at the request of the Secretary of Defense. The memorandum was scheduled to be taken up by the National Security Council in conjunction with Council consideration of document NSC 69/1, August 21, p. 163, which was then being prepared by the Council Staff.

[2] The report under reference here has not been further identified.

[3] See Secretary of Commerce Sawyer's letter of April 25 to Executive Secretary Lay, p. 83.

b. The United States should proceed at the highest level with its efforts to persuade European countries to adopt export controls to a degree commensurate with those presently imposed upon American enterprises.

5. On this same subject the Joint Chiefs of Staff by memorandum for the Secretary of Defense, dated 9 May, stated *inter alia* that:

a. "U.S. should take the initiative without delay and attempt to reach an agreement with the Western powers on export controls designed to avoid significant contributions to the war potential of the Soviet bloc,"

b. Such controls "should be concerted and firm with respect to security items and concerted, flexible, and capable of adjustment with respect to non-security items. . . ."

6. The Secretary of State in consonance with the foregoing emphasized, during the recent meetings with the Foreign Ministers of Great Britain and France and with the NAT Council, the importance which the United States attaches to common action in the field of security export controls.

7. In this connection current U.S. export control regulations are inadequate in that they do not preclude the chartering of U.S. flag shipping to transport strategic goods to and from Communist-controlled ports. The case of the U.S.-registered tankers *Kettleman Hills* and *St. Christopher*, wherein both the cargoes and ships were specifically on the prohibited lists of exports, is an example.

8. In addition to the need for effective agreement on multilateral export controls on strategic materials, there is a lack of adequate import and shipping restrictions which permits unrestricted use of U.S. ports by Soviet flag shipping and the accumulation by the Eastern bloc of dollar and sterling credits. This lack of adequate shipping controls also provides a potential military danger.

9. The USSR insures control over its commerce (including ship operations) by requiring all foreign agencies to conduct their Soviet business, and Soviet agencies to conduct their foreign business, through the Ministry of Trade representatives. These representatives are established throughout the world as an integrated part of USSR embassies (Amtorg in the U.S.). Soviet satellite countries achieve essentially the same control through their central Ministries of Trade.

10. Western countries, adhering to the doctrine of "free trade", have exercised administrative limited control over foreign trade only to insure compliance with regulations concerning health, immigration, export licenses, manifest of cargoes and similar recognized restrictions. Retaliation, for what in effect is USSR denial of Western shipping to ports under Soviet control, can be legally exercised solely by an act of reciprocity through executive directive pursuant to the

Shipping Act of 1886[4] (Appendix[5]). On the other hand, refusal to receive Western shipping can, however, be attributed by the Soviets to economic reasons and thus provide little basis for U.S. directives based on reciprocity.

11. There are, as pointed out in the foregoing paragraphs, serious defects in Western control of East-West trade. These defects could be greatly lessened by a broad over-all export-import program which included:

a. Effective control of the operation of Western flag shipping from foreign ports;
b. Strengthening of Western import regulations; and
c. Limiting the number of Western ports available to Soviet flag shipping.

12. In view of the above, particularly as it affects the national security, the Joint Chiefs of Staff recommend that the National Security Council consider the foregoing factors in connection with the determination of the over-all United States policy on trade with the Soviet bloc.

For the Joint Chiefs of Staff:
OMAR N. BRADLEY
Chairman
Joint Chiefs of Staff

[4] Act of June 19, 1886, Chapter 421, Section 17, 24 Stat. 82.
[5] The appendix, an extract from the Shipping Act of 1886, is not printed here.

460.509/7-750 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

SECRET

PARIS, July 7, 1950—8 p. m.

137. Excon. 1. Embassy concerned about implications contained following June 30 Deptels: 2368 to Rome, repeated Paris 3135; 3249 to London, repeated Paris 3134; 458 to Stockholm, repeated Paris 3136, and Deptel 18 to London July 3, repeated Paris 14 as affecting current US efforts in CoCom and CG.[1]

[1] None printed. In them the Department of State expressed concern over the apparent inconsistency of the American exportation of capital equipment to be used in the production of highly important security items which might be shipped to the Soviet bloc by the countries importing that machinery when at the same time the shipment of those items from the United States was prohibited. The Department referred specifically to license applications for the export of ball bearing manufacturing machinery to Italy and the United Kingdom and of a steel strip mill to Sweden. Approval of the license to Italy was being held up while the Embassy in Rome indicated American concern to the Italian Government and raised the question of Italian intentions regarding the export of bearings. The licenses to Sweden and the United Kingdom were approved but the Embassies in Stockholm and London were instructed to express concern to the Swedish and British Governments over the apparent inconsistency and to point out that if shipments of strategic items to the Soviet bloc resulted from the licensing, public opinion in the United States might force the government to adopt a more restrictive policy toward licensing to the United Kingdom and Sweden (441.119/6-3050).

2. From point of view of consistency we do not believe US can say (*a*) US in pursuing policy of obtaining voluntary agreement for parallel export control program on basis mutual recognition common interests and dangers (Deptel 1627, April 13 [2]), and at same time say (*b*) US proposes withhold export items it unilaterally determines to be strategic unless PC's accept US conclusion that item is strategic (see reftels).

3. Embassy has proceeded on presumption Torep 816 August 27, 1948 [3] still basis US policy in international export control field. Therefore, Embassy does not feel implied threats by US to restrict or deny exports of items not yet agreed for embargo consistent with such policy, yet Deptel 14 clearly implies US has taken such action. Results of such action can only weaken if not completely destroy the concept that the primary objective of US in CoCom and CG negotiations is to develop a mutually agreed-upon export control list on the basis voluntary agreement by PC's which implies to us that views of other PC's entitled same weight those of US.

4. If US has in fact now adopted a coercive policy as indicated in reftels, Embassy fails see logic in granting licenses to UK (Deptel 3134) while denying licenses to Italy (3135), since both cases involve unsettled int. list III items. In any case it seems strange to allow exports to UK which is spearhead opposition to US present policy in CoCom and to Sweden (Deptel 3136) which is not a PC and uncooperative in export control program, while denying license to Italy which thus far has cooperated fully with US and has often taken lead in CoCom.

5. While Embassy not advocating pro or con on matter of pressure we do feel that, if voluntary and mutual aspects of policy still in force, even in name only, pressure should be used solely with respect to matters of principle and not with respect to individual unsettled items. On such matters as transit trade effective pressure might be brought to force reluctant PC's install effective measures of control of transit trade and free ports. If, on the other hand, Department has decided to exert pressure re individual items as implied Deptel 14, Embassy feels pressure should not be dissipated by statements contained in second paragraph reftel.

6. Re questions raised Deptel 3135, Embassy feels ECA financing should be examined in light strategic export controls same as MDAP items (Deptel 2759, June 13 [4]). Nevertheless because of possible effect

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[2] *Ante*, p. 81.

[3] *Foreign Relations*, 1948, vol. IV, p. 564.

[4] Not printed. In it the Department of State, after consultation with the Economic Cooperation Administration and the Department of Defense, set forth the interim policy on the East-West trade control aspects of military production projects furnished to cooperating countries under the Mutual Defense Assist-

Footnote continued on following page.

Department's suggested approach to Italian Government, Embassy feels Rome comments on advisability such approach should be given careful consideration.

BRUCE

Footnote continued from preceding page.

ance Program. Where an item was on the American 1–A List (embargo) but not on the International List I, American approval would not be denied unless a substantially similar item was believed moving eastward from the recipient country. Where an item was on the American 1–B List (restricted), American approval would not be denied unless a substantially similar item was believed moving eastward from the recipient country in significant amounts. The Department believed that such an interim policy represented a realistic measure of cooperation that ought to be brought to the attention of all negotiators in other countries. While it was American policy not to use such approvals of additional military projects as bludgeons, the Department believed that such cooperation by the United States Government strongly invited similar measures of cooperation on the part of other governments toward including the appropriate items on International Lists I and II, thereby accepting and implementing stricter standards of export control of major items of military significance (451.119/6–1350).

460.509/7–1350 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

SECRET PRIORITY PARIS, July 13, 1950—6 p. m.

243. Excon. Re Embtel 3199 June 29 repeated Copenhagen 36.[1]

1. CoCom today considered Danish position. Department will appreciate unfortunate situation resulting from failure receive any reply to reftel sent almost two weeks ago requesting instructions on what we consider one of most important and delicate matters confronting US in whole CoCom and CG operation.

2. Danish delegation made following statement:

a. On entering CG Denmark stated its position in its November 1949 memo. It has however continued as member CoCom but experiences difficulty in implementing decisions because it abolished export controls February 1949.

b. Denmark not convinced that its export strategic items warrants restoration export controls. Should such controls be restored there would be political consequences in that present Danish Government is minority party and would be subject pressure from opposition. Furthermore restoration controls would give Danish Communists propaganda weapons government hesitates to give them. Danish

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[1] Not printed. It observed that the Danish position on security export controls would shortly be discussed in the Coordinating Committee, and it pointed out the delicacy of the Danish situation involving as it did the Danish role as an active member of the Western community. It suggested that the United States content itself in the Coordinating Committee with reiterating the importance of the maintenance of a common front on security export controls (460.509/6–2950). In telegram 292, July 17, to Paris, not printed, the Department of State agreed that the problem of Danish cooperation was important and delicate and agreed on the position in the Coordinating Committee suggested by the Embassy (460.509/6–2950).

statistics (airpouched today) indicate that in 1949 only $430,000 security items exported eastern Europe. Danes believe uniformity overstressed in CoCom and CG in that real sacrifices various PC's not uniform.

c. Denmark's position discussed with State Department which seemed to share view that it would be reasonable to undertake examination Denmark's special situation (Department will recall that Copenhagen stated in its No. 4 July 3 to Department repeated Paris 3 [2] that Denmark ForMin discussed Danish position with Secretary at London ForMin's May conference and latter "expressed sympathy and agreement with Denmark viewpoint". These statements complete surprise to Embassy in view previous Department cables this subject).[3]

3. Danish delegate summarized position by stating that when Denmark entered CG and CoCom it clearly stated the terms of Danish participation but that if future statistics showed exports security items to EE increasing they would reconsider their attitude.

4. French made strong statement saying Danish position not acceptable because even small leaks EE would defeat purpose Int list 1. UK supported French but as usual attitude was lackadaisical. Belgian, Canadian and Italian delegates supported French. Netherlands delegate expressed hope Danish Government would soon think exports excessive and stop them. Nevertheless said he would be compelled to abstain any CoCom recommendation this subject. Norwegian delegate conveniently absent.

5. At request Belgian, US, German, and UK delegates action on matter postponed one week. French and Italian delegates greatly concerned postponement stating informally that if PC's accept Danish position they believed CoCom could not continue function as solid front would be broken.

6. Embassy reiterates its belief this problem important, delicate and urgent and would appreciate instructions soonest.

Sent Department 243, repeated info London 68, Copenhagen 3.

BRUCE

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[2] Not printed. It reported that Einar Waerum, Chief of the Economic Section of the Danish Foreign Ministry, had repeated at length all the previously expressed Danish arguments against an embargo policy on exports to Eastern Europe. Waerum stated that Danish Foreign Minister Gustav Rasmussen discussed the Danish attitude on trade controls with Secretary of State Acheson at London in May and Acheson had expressed sympathy and agreement with the Danish viewpoint. This had been a powerful influence on the maintenance of the Danish stand (450.6031/7–350).

[3] Telegram 43, July 20, to Copenhagen, repeated to London and Paris, not printed, authorized the Embassy to inform Danish officials that it was Secretary Acheson's recollection that in his conversation with Foreign Minister Rasmussen in London in May, he expressed sympathy for Denmark's difficult position and agreed with Rasmussen's position that it would be unwise to undertake a security export control program of such magnitude as to constitute a general embargo against Eastern Europe. Secretary Acheson did not agree that the American proposals for an expanded control program could be considered a general embargo or that Denmark should therefore abstain from participating in the joint control program as fully as possible (450.6031/7–350).

460.509/7-750 : Telegram

The Secretary of State to the Embassy in France [1]

SECRET WASHINGTON, July 14, 1950—8 p. m.

258. Excon. ReEmbtel 137, July 7.[2]

1. Export license decisions in Deptels June 30 to London, Rome, Stockholm [3] considered fully consistent with spirit of Torep 816,[4] which remains basis US export control policy. Deptel 18 to London (14 to Paris [5]) is special case. None of these actions shld have any effect on current US efforts to negotiate mutually agreed control program on voluntary basis.

2. Dept continues opposed to use economic sanctions, including threat of withholding ECA or MDAP aid or denial export licenses, to force agreement with US proposals. Without violation this principle, Dept recognizes there may be cases where US Govt will wish ascertain, prior to approval of a specific 1–A or 1–B shipment to WE, whether such a shipment (machinery, etc.) is likely result in substantially increased export of a highly strategic item from WE to Soviet bloc. This info and other factors will determine US decision. If increased export such items to EE were to result direct or indirectly from US shipment to WE (esp in case of entire plant part ECA-financed as in Ital case), effectiveness US control program wld be reduced. Dept sees no inconsistency between (*a*) pursuing goal of mutually-agreed program, without coercion, to *restrict* strategic exports to east and (*b*) refusing consent to exports from US which might *increase* strategic exports from WE to east. Other PCs need not accept US position that item concerned shld be embargoed but must recognize that until question of its strategic significance is resolved by mutual agreement such exports shld at least not be increased.

3. Reference in Deptel 18 to denial pending applications concerns (*a*) denial license to US firm which desires ship rocker shovels direct to Czecho and (*b*) denial to another US firm, with assembly facilities under contract in UK, which desires ship parts to UK for assembly and reexport Czecho, hence is similar to cases of transshipment. Apart from discrimination angle, there is impt security aspect since we now know this item especially suitable for uranium mines and unsuitable coal mines Czecho. Dept's request for UK coop in interim admin embargo, without prejudice eventual UK position CoCom, is not out of line with previous US policy.

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[1] Repeated to London, Rome, and Stockholm.
[2] *Ante*, p. 154.
[3] Not printed, but see footnote 1, *ibid.*
[4] *Foreign Relations*, 1948, vol. IV, p. 564.
[5] Not printed.

4. If Dept had intended adopt coercive policy it might logically have withheld licenses UK and Sweden and approved Ital case, as Emb suggests. Fact that these cases involve unsettled List III items not material. Placement on List III reflects disagreement mainly as to extent of export control which shld be applied and we believe implies that, pending outcome negots, PCs shld at least exercise caution to prevent increased exports. In case of ECA-financed bearing plant for Italy, abnormally large exports steel alloy bearings to EE in 1949 lead us to seek assurances against repetition in future. Evidence reduced exports early 1950 is welcome as establishing more appropriate level but inconclusive as to intentions re future exports.

5. Such action as Dept is taking in specific cases, by requesting assurances as to intentions re future exports, concerns matter of principle, namely that during this interim period when US is maintaining substantially more restrictive controls than those in WE, other PCs must recognize that US will not frustrate its controls over US exports direct to Sov bloc by permitting exports of US equipment, etc to WE when these may in turn increase exports from WE to EE of same items we are embargoing.

6. Foregoing may be used in Emb discussions with other PCs as deemed appropriate, and by Embs Rome, London, Stockholm, subj Paris concurrence in seeking assurances requested reftels June 30.

Other agency positions unchanged.

ACHESON

460.509/7-2550 : Telegram

The Chargé in France (Gray[1]) to the Secretary of State

SECRET PARIS, July 25, 1950—6 p. m.

455. Excon. Reference Embtel 243, July 13, repeated Copenhagen 3.[2] At CoCom July 25 Danish special position again considered with following results:

1. CoCom was of the unanimous opinion:

(*a*) That it could not accept the statistics submitted by the Danish Government as a basis for the discussion of the Danish position;

(*b*) Denmark should comply with the decisions of the committee with respect to controls, lists and principles;

(*c*) Until Denmark withdraws its reservations the committee cannot entertain the submission of a plea for special consideration except on the basis of the French proposal made in the CG May 31 (CoCom Doc. 66, paragraph 2, Embdesp 1377, June 20).

2. Danish delegate stated he would report this reaction to his government and asked for time for Danish Government to reconsider

[1] Cecil Wayne Gray, Counselor of Embassy in France.
[2] *Ante*, p. 156.

position. It was agreed that Denmark would make its reactions known by September 1, and if Danish position unchanged CoCom will immediately submit report on matter to CG.[3]

Sent Department 255 [*455*], repeated info Copenhagen 6.

GRAY

[3] Telegram 108, July 26, from Copenhagen, not printed, reported that Danish Foreign Ministry officials had stated in deep confidence that as a result of the action in the Coordinating Committee and in view of the clarification of Secretary of State Acheson's conversation with Foreign Minister Rasmussen in London in May (see footnotes 2 and 3, p. 157), the Danish Government would thoroughly review its policy on East-West trade (450.6031/7–2650). Telegram 495, July 27, from Paris, not printed, reported that the Coordinating Committee had been informed that Denmark was imposing an embargo on new tankers for Eastern Europe and that the embargo would not be changed without prior consultation with the Consultative Group (460.509/7–2750). Telegram 202, August 18, from Copenhagen, not printed, reported that the Coordinating Committee was to be informed that Denmark agreed not to export any items on International List I to Eastern Europe without consultation with the Consultative Group (450.6031/8–1850).

446G.419/8–250 : Telegram

The Ambassador in the United Kingdom (Douglas) to the Secretary of State

TOP SECRET LONDON, August 2, 1950—5 p. m.

711. Excon. 1. Makins,[1] FonOff, yesterday handed Embassy officer two *aides-mémoire* concerning strategic trade controls which are summarized herein.

2. First says (*a*) HMG have taken steps prohibit all exports from UK to North Korean destinations and instructed governor Hong Kong Singapore take necessary steps in respect exports North Korea from those colonies; (*b*) HMG have also taken steps control exports strategic items from UK to destinations in China and have instructed governor Hong Kong and Singapore take corresponding action in connection strategic exports to China from those colonies. (No information given exact meaning term "strategic exports".[2])

3. In response to Embassy officer observation that controls applicable Hong Kong Singapore to ships to China appear only partly adequate, Makins indicated HMG could go no further at present time; expressed hope problem could be solved by exchange information between colonial, US officials. Stated would welcome specific information re inadequacy controls. Embassy aware statements contained Hong Kong 11, July 29, sent Department 252 and Deptel 468, July 26, but would appreciate current and comprehensive evaluation from

[1] Sir Roger Makins, British Deputy Under Secretary of State for Foreign Affairs.

[2] The *aide-mémoire* summarized here is not printed. Documentation on the control of trade with China and the Far East is presented in volume VI.

ConGen Hong Kong for submission FonOff. Makins did not provide any additional information along lines Embassy request referred to Embtel 372, July 17.[3]

4. Second *aide-mémoire*[4] along same general lines Franks statements to Perkins as contained Department memo conversation July 25 but classified top secret.[5] Slightly different specific content, however, and Makins attempted stress flexible nature British position. Stated whenever change international situation makes advisable, added weight could be given security concessions, pointing to recent action re POL products. Embassy officer asked Makins to confirm impression gained from discussion that HMG presently regards economic value EE trade as major factor influencing British decision not to meet US position. Makins said this impression correct.

5. Embassy officer also asked if *aide-mémoire* reference "items which can be accepted from 1–B list" indicated British willingness transfer additional items I/LI.[6] Makins replied affirmatively. Also said British willing enter bilateral technical discussions with US soon as possible emphasizing desirability commencing these discussions without delay in order avoid further US–UK controversy in CoCom. As Department and other agencies Washington aware, this has familiar ring and disregards extensive bilateral and multilateral technical discussions which have taken place for more than one year. Embassy endeavoring clarify British views re scope such discussion and indication which 1–B items Britain has in mind.

6. *Aide-mémoire* did not suggest detailed discussions basis British POL as mentioned Deptel 474, July 26. Instead, Makins stated policy outlined in *aide-mémoire* fully reflected ministerial judgment after

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[3] None of the messages under reference here are printed.

[4] The text of the *aide-mémoire* under reference here was transmitted to the Department of State as an enclosure to despatch 606, August 2, from London, neither printed (460.509/8–250).

[5] In a statement dated July 25 and handed to Assistant Secretary of State for European Affairs George W. Perkins the same day, British Ambassador Sir Oliver Franks reported on the British Cabinet's recently completed review of British East-West trade policy. The British concluded that they were in complete agreement with the United States on the ultimate objective of East-West trade controls—the limitation of Soviet war potential. The British maintained their previous attitude, however, that the mechanisms of export control proposed by the United States, involving prior consultation between participating countries before certain 1–B exports were approved and prior agreement on specific quotas for other 1–B exports, would be difficult, if not impossible, to carry out and would unnecessarily hamper trade with Eastern Europe. Furthermore, the British felt that the logical outcome of American control proposals would be a complete economic blockade of Eastern Europe, a course of action on which the United Kingdom could not embark. The United Kingdom was far more dependent upon trade with Eastern Europe than the United States and would be economically weakened by any severe curtailment of trade. The British asked the United States to consider a change in its views in the light of the analysis (460.509/7–2550). Telegram 474, July 26, to London, not printed, reported the receipt of this statement and that Ambassador Franks had expressed the desire of the British Foreign Office to discuss the matter with the American Embassy in London (460.419/7–2650).

[6] International List I.

most careful consideration and expressed hope that, for reasons advanced in *aide-mémoire* and because of additional burdens, UK would assume as result rearmament program, US would not consider it necessary insist upon alteration UK policy.

7. Copies *aides-mémoire* being pouched today. Further Embassy comments will be submitted separate telegram and will not refer this telegram order avoid top secret classification.

Sent Department 711; repeated info Paris 184.

DOUGLAS

460.509/8–550 : Telegram

The Secretary of State to the Embassy in France [1]

TOP SECRET WASHINGTON, August 5, 1950—1 p. m.

667. Excon. Dept has determined upon approach in Excon negots for parallel action during next 2 or 3 months as described below FYI. Instrs will follow where pertinent.

1. In reaching decisions Dept aware that full report and formal recommendations USDel CoCom as result recent Paris negots not yet recd, but prelim comments and summary results 1–B review carefully studied in Dept.[2] Assume later reports will not materially alter recent Paris analysis of situation emphasizing probability other PCs, esp UK, will not go along with our 1–B proposals.

2. Dept is taking position in document being presented NSC that E–W trade is still impt to econ and polit health of West (relative advantage still our objective) and that best way of deciding what parallel controls shld be adopted is by free negot.[3] Dept opposing coercive measures to achieve complete parallel action. If this position accepted by NSC Dept will be in better position to seek agreement on a somewhat shorter control list more effectively implemented, when CG has acted on present discussions.

3. Primary consideration at this time, in Dept view, is necessity obtain favorable decisions NSC level on these policies despite opposing views some other agencies. Dept considers it essential, esp in view present world situation, be able demonstrate to other agencies that

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[1] Repeated to London as telegram 665.

[2] Telegram 580, August 1, from Paris, not printed, observed that through July, Coordinating Committee consideration of 288 American 1–B List items had resulted in 15 being recommended for International List I, 30 for International List II, 75 for International List III, and 153 rejected as not of sufficient strategic importance to warrant control. An additional 15 were referred to the Consultative Group because they involved matters of policy. It was the opinion of the Embassy in Paris that, in the absence of a resolution of the basic policy differences between the United Kingdom and the United States, the saturation point had been reached on additions to the international lists (460.509/8–150).

[3] The Department of State position referred to here is presented as Appendix A to document NSC 69/1, August 21, p. 167.

most complete and forceful approach other PCs, short of coercion, has been made not only in CoCom but also in CG (we feel policy issues were not seriously discussed at last CG mtg) and at FonMins level (where policies just touched upon last mtg). All such past mtgs were pre-Korea. Accordingly, Dept believes it essential continue to stand firm on present policies, incl 1–B proposals, in forthcoming exchange views with Brit, in Sept FonMin mtg and in CG mtg assumed to follow, assuming UK position continues unchanged on basic policy issues. Meanwhile Dept will proceed with own review 1–B lists and control proposals and urge other agencies, esp Commerce, undertake similar review in light entire history this negot and recent CoCom developments in preparation for development new US position based on extent of agreement reached at next CG mtg.

4. Instrs re note to Brit will follow to London, reiterating previous US position, noting continued wide divergence views on policies, esp as to strategic nature our 1–B items, and declaring we believe it necessary seek consideration these matters at FonMins level. Somewhat stronger UK support our position, esp as to coverage lists, is not in our opinion yet out of question.

5. Dept believes no impt purpose served by effort at this time to work out relationship between CG/CoCom structure and NATO.

6. Your comments, which shld be addressed for Dept only, wld be welcome.

ACHESON

S/S–NSC Files : Lot 63 D 351 : NSC 69 Series

Report by the Executive Secretary of the National Security Council (Lay) to the National Security Council [1]

TOP SECRET

WASHINGTON, August 21, 1950.

NSC 69/1

EXPORT CONTROLS AND SECURITY POLICY

The following paragraphs contain a statement of the principal issues concerning export controls in relation to the security policy of the United States, together with a summary of the position, at the staff level, of interested departments and agencies on each issue. Full

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[1] A covering note of August 21 by Executive Secretary Lay, not printed, explained that the report had been prepared at the direction of President Truman by the National Security Council Staff with the participation of representatives from the Department of Commerce and the Economic Cooperation Administration. The report was to serve as the basis for discussion of export controls and security policy scheduled for the National Security Council meeting on August 24. The Secretary of Commerce, the Economic Cooperation Administrator, and the Secretary of the Treasury were invited to participate with the Council in the consideration of the report. For the record of action of the Council meeting of August 24, see p. 179.

statements of departmental and agency positions on the issues are attached as appendices.[2]

Issue No. 1

Recognizing that no department or agency is now recommending all-out economic warfare or an embargo, what relative weight should be assigned to the following factors in determining U.S. security export control policy to achieve U.S. national security and foreign policy objectives?

a. Military security: to retard the development of the war potential of the USSR and its satellites.

b. Recovery: to assist in the economic recovery of the friendly nations of Western Europe.

State Position. The issue should be stated thus: what relative contribution to U.S. national security can be made by (*a*) retarding the war potential development of the Soviet bloc through export control; (*b*) strengthening the economic and political health of the West? We should strike the balance that gives the greatest advantage to the West. The best way to do this is by free negotiation in which the Western countries weigh the contribution that uniform export controls can make to their own safety against the economic and political costs of such controls.*

Defense Position. Military security should be the deciding factor, overriding recovery considerations in determining the controls imposed on the export of 1A and 1B items to communist-dominated areas.

NSRB Position. Military security should outweigh economic considerations in the application of export controls.

Commerce Position. Military security should outweigh East-West trade expansion (which is no longer essential to economic recovery) both in determining U.S. export control policy and in negotiating for comparable controls by Western Europe.

ECA Position. The importance of military security vs. recovery varies with the time and situation. The problem, which is primarily operational, could be solved by full inter-agency exchanges of views to assure adequate consideration of these two factors and of political objectives before decisions are made.

Issue No. 2

How wide a range of commodities should the United States control and how restrictive should controls be on the commodities selected?

[2] Only Appendices "A" and "B", the detailed statements of the Departments of State and Defense, are included here. Appendices "C", "D", and "E", the detailed statements of the positions of the National Security Resources Board, the Department of Commerce, and the Economic Cooperation Administration, respectively, comprising 17 pages in the source text, have been omitted.

*The State position on all issues is based on the assumption that general armed conflict in the early future is not certain. [Footnote in the source text.]

State Position. The United States should extend its controls to cover new items, even though other countries do not follow suit, if in the light of the Korean war control of such items would significantly affect Soviet war potential or military activity. If these new items are strategically more important than items already proposed for the international lists, the United States should adjust its proposals accordingly, but during the Paris negotiations the presumption should be against major additions to the U.S. proposals.

Defense Position. The United States should at the very least maintain severely restrictive export controls, applied on a presumptive denial basis, on all commodities having significant war potential, including all capital goods. The possibility of an increasing trade blockade of the Soviet bloc should be explored in the NAT organization.

NSRB Position. The coverage of the present controls should not be altered, except for individual changes for technological and similar reasons.

Commerce Position. As to commodities, the United States should extend its controls to cover new items, even though other countries do not follow suit, if in the light of the Korean war control of such items would significantly affect Soviet war potential or military activity. Geographically, only the most strategic items and those for which there is definite evidence of transshipment should be controlled to *all* destinations. The present licensing policy of virtual embargo over shipment of 1B items to Eastern Europe should be reaffirmed.

ECA Position. The present technical criteria for determining whether an item is to be controlled should remain unchanged, but decisions as to whether and to what extent to control a particular commodity should be made only after inter-agency consideration of all the facts through the Commerce committee system.

Issue No. 3

Should the United States follow licensing policies toward Austria and Sweden different from those applied to the other countries of Western Europe?

State Position. Austria should not be treated differently from other ECA countries, though the special screening in Vienna to prevent release of strategic items to dangerous consignees should be continued. The policy toward Sweden should not be basically different from that toward other Western Europe countries.

Defense Position. The United States should apply export controls over strategic items (including 1A and 1B lists) to Austria and Sweden calculated to prevent those countries from obtaining strategic items of capital equipment or raw materials that may be used to produce strategic items for export to the Soviet bloc.

500-421—80——12

NSRB Position. Informal pressure, including special administrative screening, is preferable to placing Austria and Sweden in a special category as a matter of formal policy.

Commerce Position. Very highly strategic goods destined for Austria should be presumptively denied, this presumption being overcome only in special cases by overriding political considerations. License applications for highly strategic items destined to Sweden should be allowed to accumulate for discussion with Sweden in an effort to obtain greater Swedish cooperation.

ECA Position. Austria should continue to be treated as a participating nation in the recovery program, though subject to the special screening in Vienna. Treatment of Sweden should be similar to that accorded other Western European countries.

Issue No. 4

How far should the United States go in insisting that the Western European Governments impose export controls comparable to the U.S. controls?

State Position. The United States should not use the threat of withholding ECA aid, export licenses to Western Europe or MDAP aid, or other economic sanctions, to compel agreement with our proposals. The U.S. negotiators should be given greater freedom by authorizing them to agree to the withdrawal of items heretofore proposed for the international lists when a net security advantage can be achieved by agreement to control other items of greater strategic significance.

Defense Position. The amount, nature and timing of economic aid to the Western European nations should be conditional on their enforcing export controls comparable to those of the United States. Negotiations should proceed in the Council of the North Atlantic Treaty.

NSRB Position. Comparable security export controls should be negotiated with all possible strength through all available channels, but the United States should not use sanctions. The prime necessity is agreement with our allies on consistent, if not identical policies.

Commerce Position. The United States should use every means at its disposal to secure effective agreement on comparable security export controls. Negotiations to this end should give paramount importance to military security considerations. More effective coordination is required between our policy objectives and our programs to achieve national security.

ECA Position. The United States should not use the threat of withholding export licenses to compel agreement on comparable controls. As an alternative, the United States should accept agreement for quantitative controls on fewer items, instead of insisting on Western European acceptance of our 1B list.

Appendix "A"

State Department Position With Respect to Issues Relating to Export Controls and Security Policy

Note: Any export control policy must necessarily be based upon an assumption as to the prospects for war. If a general armed conflict in the early future were regarded as certain the economic and political effects of our export control policies on our Western European allies might be safely ignored. If this were the situation we should also have reached the point where a complete embargo would be indicated. To enter upon a complete embargo, in turn, would be to declare that the United States has no confidence that a general war can be avoided. The following conclusions are based on the assumption that that point has not been and may not be reached.

Issue No. 1. What relative weight should be assigned each of the following factors in determining U.S. security export control policy to achieve U.S. national security and foreign policy objectives?

a. Military security: To retard the development of the war potential of the USSR and its satellites.

b. Recovery: To assist in the economic recovery of the friendly nations of Western Europe.

Comments: We believe the actual issue posed is the following:

"What are the relative contributions to U.S. national security that can be made by:

(*a*) retarding the development of war potential to the Soviet Bloc by export controls, and

(*b*) strengthening or maintaining the economic and political health of the West?"

The objective of the West should be to strike the balance that gives the greatest advantage to the West. We are convinced that the contribution of East-West trade to the economic strength of the West is still important and that the political repercussions in Europe if that trade were lost are perhaps even more important. Furthermore, U.S. pressures for curtailment of that trade, depending on their nature, could impair the growing sense of political solidarity among NAT countries.

In the case of highly strategic items (most U.S. 1–A items) export embargo is likely to weight the scales favorably for the West. But where the principal effect of controls is to damage the basic economic structure of the Soviet Bloc, that damage must be carefully weighed against the effect on the economic structure of Western Europe and Japan. Before the war Japan was highly dependent on trade with China. In the long run, a revival of that trade is essential for Japan's economic self support.

The best way to approximate the optimum balance of advantage for Western countries as a whole is by a free negotiation among them in which the participating countries weigh the contribution that uniform controls can make to their own safety against the economic and political costs involved.

Issue No. 2. How wide a range of commodities should the United States control and how restrictive should controls be on the commodities selected?

Comments: The question can refer to U.S. policy as it affects the policy of Western European countries, or U.S. export controls maintained independently of Western Europe. Since both questions are actually at issue, our position is:

a. during the Paris negotiations there should be a presumption against major additions to the United States proposals for the International Lists,

b. the U.S. should reexamine its own controls in the light of experience in the Korean war and should not hesitate to add any item if it is found that control by the United States would have a significant effect on Soviet war potential or military activity even though not reinforced by parallel action on the part of Western Europe,

c. if it is determined that a new item is more important strategically than items already proposed for the International Lists the United States may propose addition of the new items to the International List, adjusting its other proposals as necessary to prevent an increase in the existing divergence between the United States position and that of other countries in the Paris negotiations.

The above policies could result in an increase in the present disparity between United States export controls and those of Western Europe. They recognize that the amount of sacrifice entailed in controlling a given item may be much less for the U.S. than for the Western European countries.

Issue No. 3. Should the United States follow licensing policies toward Austria and Sweden different from those applied to the other countries of Western Europe?

Comments: A. *Austria.* As an area, Austria should not be treated differently from other ECA countries. Any fundamental difference in policy would be interpreted as a United States retreat in Austria—as a decision by us that it cannot be considered within the Western orbit. Under such a policy, Austria would be rendered economically and psychologically less able to resist Soviet aggression. Of still greater importance is the extremely undesirable effect that such a policy would have on the confidence of other friendly countries, especially those contiguous to the Soviet Bloc, such as Iran, Greece, or Turkey.

The Austrian Government has given the United States excellent cooperation in its own controls of exports beyond the borders of

Austria. At the same time, we recognize the special difficulties which result from Soviet occupation of part of Austria. We should continue the special screening in Vienna by the ECA, the Legation, and the military to avoid release of strategic items to Soviet dominated companies or other dangerous consignees.

B. *Sweden.* The policy towards Sweden should not be basically different from that toward other Western European countries. The effort to align Sweden with the West in event of War in Europe should not be abandoned.

We recognize that there is danger of relatively larger shipments of strategic goods from Sweden to the Soviet than from other Western countries, but Sweden's exports make a more important contribution to Western strength than to that of the Soviet Bloc.

In view of the non-participation of Sweden in the Paris Consultative Group there may be more cases in Sweden than elsewhere where it is necessary to hold a license while ascertaining whether its approval would result in increased exports to the Soviet Bloc of highly strategic items.

Issue No. 4. How far should the United States go in insisting that the Western European Governments impose export controls comparable to the United States controls?

Comments: A. The principal issue here seems to be whether the United States should use the threat of withholding ECA aid, or export licenses to Western Europe, or MDAP aid, or other economic sanctions, to force agreement with our proposals.

The United States should not use this kind of pressure because:

(*a*) an agreement not based on collective judgement and mutual desire for maximum security is less likely to arrive at the optimum balance of strength in favor of the West over the East. It is in our interest to take into account the information received from European countries, and not always available to us, concerning the effect of specific control measures on their economic recovery and political stability,

(*b*) serious resentment would be created where solidarity is most needed,

(*c*) security controls are not likely to be effectively enforced by a government which does not believe they are necessary.

Without violation of this principle there may be cases where this Government will wish to ascertain, prior to approval of a specific 1–A or 1–B shipment to Western Europe, whether such a shipment is likely to result in a substantially increased export of a highly strategic item.

B. The Korean war reemphasizes the need for avoiding any coercive action against countries which are now active allies of the United States. To recognize this fact is not to advocate weakness by the American negotiators, who should continue to press by negotiation

for more thorough going controls. Present indications are that the Korean war is narrowing the divergence of views between participating countries as to the security importance of limiting the Soviet war potential through export controls. We are convinced, however, that continued insistence on our part that other participating countries accept all items on our 1–B list reduces the negotiating power of the United States Delegation. Accordingly, the Department proposes to permit greater powers to negotiate by authorizing the United States Delegation to agree to the withdrawal of items heretofore proposed for the International Lists when a net security advantage can be achieved in the form of mutual agreement to control other items of greater strategic significance.

C. The special problem of controls by Germany and Japan is important in this connection. There are both economic and political reasons why Germany and Japan cannot be expected indefinitely to maintain controls more exacting than those maintained by Western Europe. At an appropriate time, in the light of the Paris negotiations and of the general international situation, German and Japanese controls should be brought into line with those of the Western European participating countries.

Appendix "B"

Defense Position With Respect to Issues Relating to Export Controls and Security Policy

Issue No. 1. What relative weight should be assigned each of the following factors in determining U.S. security export control policy to achieve U.S. national security and foreign policy objectives?

a. Military security: to retard the development of the war potential of the USSR and its satellites.

b. Recovery: to assist in the economic recovery of the friendly nations of Western Europe.

Comments: Military security should be the deciding factor overriding recovery considerations in the export of 1A and 1B items to Communist dominated areas. These 1A and 1B items are acknowledged to be essential to the increase of war potential of Communist areas. The strategic importance of these items far outweighs their contribution through East-West trade to the economies of either Western Europe or the U.S. The U.S. economy can easily withstand the loss of the relatively small volume of trade involved as has been the case for the past two years. Economic recovery in Western Europe has progressed to the point where East-West trade, involving strategic items, is no longer of great importance to the West. Western Europe trade in strategic items with the Soviet Bloc is on the order of 1% of their total export trade to all destinations. East-West trade in these

items is inimical to the security of the West, because (1) the increase in war potential of the Communist areas exceeds the economic benefits to the West; (2) such trade directly conflicts with the objectives of the Mutual Defense Assistance Program in that it increases the war potential of Communist areas, and thereby increases the military aid requirements of Western Europe for defense; and (3) the Soviet Bloc will permit East-West trade only in items that further Soviet political and military objectives as the Soviet Bloc is hostile to the aims of the European Recovery Program, and the Soviet Bloc is striving for self-sufficiency. Comparable export controls by Western European nations are necessary for maximum effectiveness of the controls in the interest of mutual security. NSC 68 [3] emphasizes the importance of retarding the development of Soviet Bloc war potential in order to facilitate correcting the disparity between Western and Eastern war readiness.

Issue No. 2. How wide a range of commodities should the United States control and how restrictive should controls be on the commodities selected?

Comments: The United States should maintain severely restrictive export controls at the very least on all commodities having significant war potential including all capital goods. These controls should be applied on a presumptive denial basis. The current 1A and 1B lists comprise, by and large, a wide range of commodities of major strategic significance. International and technological changes will necessitate additions and deletions to these lists. Under present export control policy, we attempt to restrict trade in items of only the highest significance with respect to direct contribution to war potential, while at the same time we assist the Soviet Bloc to maintain their civilian economy and substantially build up their industrial machine essential in preparation for the conduct of a shooting war. The only reasonable alternative to the present policy, which may result in a decline of strength of the West relative to the East, is an intelligent increasing trade blockade on the part of the West. It is believed that Soviet dependency on the West is such that the West has a powerful tool for obtaining major concessions from the Soviet. These possibilities should be explored in the North Atlantic Treaty Organization in order to arrive at a common policy to best serve mutual security.

Issue No. 3. Should the United States follow licensing policies toward Austria and Sweden different from those applied to the other countries of Western Europe?

Comments: The U.S. should apply export controls over strategic items (including 1A and 1B lists) to Austria and Sweden calculated to prevent those countries from obtaining strategic items of capital equipment or raw materials that may be used to produce strategic items

[3] NSC 68, April 14, 1950, entitled "United States Objectives and Programs for National Security," is printed in vol. I, p. 234.

for export to the Soviet Bloc. This policy is necessary so long as export controls in Austria remain ineffective and so long as Sweden continues to be a source of supply of strategic items for the Soviet Bloc. To do otherwise would vitiate the effectiveness of a restrictive export control policy.

Issue No. 4. How far should the United States go in insisting that the Western European Governments impose export controls comparable to the U.S. controls?

Comments: Communist dominated areas form a monolithic bloc in their trade policy toward the West. Unless the U.S. and Western European nations are guided by the same export control objectives, the effectiveness of restrictive export controls toward the Soviet Bloc will be greatly lessened. It is imperative for mutual security that the U.S. and Western European nations employ comparable export controls. To this end, the U.S. should make the amount, nature and timing of economic aid, to Western European nations conditional on their enforcing export controls comparable to ours. To do otherwise is to lessen the effectiveness of these aid programs. The U.S. should exhaust every means in persuading friendly governments to improve export controls comparable to our own. Negotiations to this end should proceed in the councils of the North Atlantic Treaty. Negotiations within this framework to obtain comparable export controls would accord full weight to security factors. Concerted action to date by Western European nations to minimize the transfer of war potential to the Soviet Bloc is dangerously inadequate to frustrate the Communist intention to increase its war making capacity relative to the West. For example, the Paris Consultative Group has not yet agreed to embargo many important items of the U.S. 1A list, such as many precision instruments, alloy steels, ball bearings, tankers, and industrial diamonds from Western Europe. The U.S. is stockpiling industrial diamonds, yet at the same time, the Soviet Bloc is obtaining industrial diamonds for use in making fine mesh nickel screens used in producing atomic bombs.

450.6031/8–2250 : Telegram

The Ambassador in Belgium (Murphy) to the Secretary of State

SECRET BRUSSELS, August 22, 1950—2 p. m.

283. Excon. Re Embtels 1023, Department, repeated 198 Paris June 29; 3 Department, repeated Paris 2, July 3; 175 Paris, repeated 897 Department June 6.[1] Van Zeeland[2] handed me August 18 memorandum dated July 24[3] explaining reasons for FonOff decision to

[1] None printed.
[2] Paul van Zeeland, Belgian Minister of Foreign Affairs.
[3] Not printed.

sign trade agreement with USSR,[4] although providing for exports of many commodities in USA 1–B list. Text being submitted separately. Reasoning primarily based on (*a*) CG and CoCom have not unanimously extended international lists to include these commodities and (*b*) Belgian reluctance take unilateral action while commodities are supplied by other countries and included in some of their existing trade agreements.

Memorandum confirms impression Belgian Government limiting E–W control operations to multilateral commitments based on international lists I and II. Impression previously supported by decision in diamond transaction with Poland (Deptel 74 [5]) and reply FonOff unable prevent shipment aluminum to Tientsin (Deptel 225 [5]) because omitted from international lists (although original note on extension controls to Orient expressed cooperative policy in more general terms). Extremely doubtful Belgian Government would take preventive action any export or trans-shipment unless clearly committed by multilateral decision. Embassy questions possibility convincing Belgian Government of necessity greater restrictions on their part while other PC's offer alternative sources and exports from US continue through uncontrolled transit points. Present memorandum includes statement "the control is more heroic than practical and gives rise to whole series of frauds which it is practically impossible prevent". Belgian Government considers CG and CoCom decision seat of control policy. If multilateral system presently recognized as authority is ineffective Embassy believes system should be revised rather than attempt supplement with unilateral requests for voluntary controls. Recent transit trade CoCom resolutions appear to present opportunity for USA make control air tight as to its own exports strategic goods by licensing exports only if end-use in PC assured.

Embassy will of course present requests to FonOff to prevent shipment cobalt and molybdenum (Deptel 220 [5]) copper rods (Deptel 223 [5]) gasoline (Deptel 219 [5]) and any other transactions as instructions received, but consistent application present Belgian policy suggests requests will be ineffective if commodities not on lists I or II and unnecessary if they are on lists I or II. Placing FonOff in position of repeated negative replies to Embassy when basic system of control is concentrated in cooperative committees in Paris may further discourage confidence in multilateral action. Embassy recommends maximum effort increase effectiveness of cooperative committees supported by example of uncompromising control USA exports.

Sent Department 283; repeated info Paris 65.

MURPHY

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[4] A trade protocol between the Belgian-Luxembourg Economic Union and the Soviet Union was eventually signed in Brussels on November 14, 1950.

[5] Not printed.

460.419/8–2250 : Telegram

The Secretary of State to the Embassy in the United Kingdom [1]

SECRET WASHINGTON, August 22, 1950—6 p. m.

972. Excon. ReDeptel 474, July 25, rptd Paris 475.[2]

A. As reply to UK *Aide-Mémoire* to Emb and Franks statement to Perkins re Excon policies,[3] you shld inform FonOff that we have carefully considered UK position as expressed by Amb Franks and have also made prelim review outcome recent Paris negots involving US 1–B list. (We note direct connection between these two inasmuch as Brit view re strategic importance items on 1–B list has largely prevailed in Paris, and nature List II controls has been that acceptable to Brit, so that outcome Paris mtgs seems fair reflection results to be expected while Brit views continue unchanged.)

Aide-Mémoire to be presented by Emb shld cover fol points; and of course shld take account of recent Emb conversation with Br Gov.

1. We recognize that there has been progress in expanding internatl embargo list, arriving at agreed definitions for items which may be controlled, and developing useful proposals for control of transit traffic.

2. We had hoped that experience of examining our 1–B list item by item, category by category, wld have demonstrated to the PC's merit in US view that controls of varying scope, ranging from exchange of info to near embargo, are justified with respect to selected lists of items of major industrial importance to Sov bloc. We recognized that Brit views wld have considerable influence on attitudes other PC's.

3. We are disappointed result this examination at Paris and Brit review their position has only been to confirm Brit in their opinion controls shld be limited to items of "direct strategic importance", defined by them as excluding major industrial items which we consider are used to large extent by Sov bloc for mil rather than civilian production. Franks' presentation and *Aide-Mémoire* restates views already expressed by Brit, and contain no new facts which might lead US to modify its evaluation of export control requirements.

4. We concur question of strategic criteria rather than quantitative control techniques is major issue between US and UK.

5. We are concerned to observe that if Brit position continues unchanged in near future, more than one half of all items on our 1–B list wld remain subj to no internatl control or even surveillance, having been rejected for control on grounds of insufficient strategic importance. The comprehensive nature of UK and CoCom recommendations for rejection (covering, for example, about three-fourths of items in categories of metal machinery, chemical equipment, steel mill products, and one-half of items in precision instruments and scientific

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[1] This telegram, which was concurred in by the Department of Commerce and the Economic Cooperation Administration, was repeated to Paris as 900.

[2] Not printed, but see footnote 5, p. 161.

[3] Regarding the *aide-mémoire* and statement under reference here, see telegram 711, August 2, from London, p. 160.

apparatus field) convinces us current Brit and US views on basic policy questions diverge more sharply than we had expected.

6. We believe such divergence of view damaging to our mutual security interests in present internatl situation. Accordingly, we consider it essential explore these differences further, particularly our differing criteria as to what is strategic. We propose request matter be given serious consideration at next FonMins mtg in Sept, if difference cannot be resolved before that time.

B. We believe it worthwhile reemphasize to Brit in discussions certain fundamentals US position outlined below. Since we have made these points nr of times before, it may not be necessary include them in *Aide-Mémoire.*

1) US view is that objective of export control program is to promote and protect our mutual security by curbing development of Sov bloc war potential to extent possible and to extent consistent with building up western strength relative to that of East. (This is consistent with UK objective of "equality of advantage" in East-West commercial exchanges, and with efforts to increase E–W trade in nonstrategic items.) Econ health, polit stability, and continued close coop between Western countries are all recognized as essential elements contributing to western strength.

2) US view that industrial potential cannot be separated from war potential, and that both are of strategic importance, does not mean we favor indiscriminate embargo or severe limitation of such wide variety of exports as to constitute "general embargo". We have tried to be selective and believe that such course can logically be pursued within framework of promoting and protecting our security. US view of Sov economy, however, leads to a definition of key areas to be controlled wider and deeper than that of UK.

3) Necessity for controlling items of "major industrial importance" is clear and immed, in US view. We are interested in items or categories which contribute substantially to war potential. We do not consider it possible to draw distinction in certain basic industrial categories between strategic fields or uses and normal peace-time industry or peace-time uses, when we are dealing with the controlled economies of Sov bloc which have kept to a bare minimum their "peace-time" production in order to divert large proportion natl production to direct mil preparations and to development mil potential. It is obviously essential to limit *present* mil strength of Sov bloc by denying direct mil end-products. US considers it equally essential to slow down rate development Sov war potential. Controls affecting immed or short-term striking power of potential enemy must be supplemented, we believe, by controls over many items which are basic to productive power and of greatest importance to mil power in the longer term. We cannot afford export materials and equipment which build up, or remove limits from industrial potential of nations which clearly have aggressive intentions.

4) Those who advocate controls only over very limited nr key strategic items underestimate ability of Sov bloc to concentrate attention toward solution of immed technical problems and, by giving high priority, produce any item which can be made in West (e.g., atom bomb). What USSR lacks is ability to engineer and produce in quan-

tity sufficient variety of items requiring technical perfection in production process. Thus, restriction to Sov bloc areas of complicated mechanical items such as machine tools and precision instruments which USSR cannot produce in sufficient quantity forces diffusion of natl effort and esp of skilled technicians into activities less essential from mil viewpoint. Selection of items for control must in our view be broad and deep enough to affect an entire production complex and not merely such as wld create purely temporary shortages of one or two "key" components.

5) We hope UK will give further consideration to US views as stated above. We believe security considerations are deserving of greater weight than they have recd in past, even at risk of some econ losses. The emphasis on expansion of Western rearmament programs fol the action in Korea is a recognition that economies of Sov bloc are already on an advanced war-time footing. We consider this recognition shld be carried over to the field of export controls where one of major differences between US and UK has been degree to which items of basic industrial importance are likely to be used in support of mil, rather than civilian production. We feel recent internatl developments confirm need for stronger export control program of type envisaged by US.[4]

ACHESON

[4] The substance of the American position set forth in this telegram was communicated to the British Embassy in Washington in an *aide-mémoire* of August 24, not printed (460.509/8–2450). Telegram 1206, August 25, from London, not printed, reported the major points set forth in the telegram printed here were included in an *aide-mémoire* delivered to the British Foreign Office that same day. The Foreign Office doubted that there would be any change in official British policy until the matter could be discussed during the American-British-French Ministerial meetings in New York in September (460.419/8–2550).

400.119/8–2550

Position Paper Prepared in the Department of State [1]

SECRET [WASHINGTON, undated.]

1. The NSC agrees that the U.S. position on 1–B items should be reviewed with the objective of deleting from negotiation those of lesser importance which are objectionable to the Europeans, and of deciding upon List I or II treatment for the balance.

[1] The source text is included in the files as an attachment to a memorandum by Robert W. Barnett, Officer in Charge of Economic Affairs, Office of Chinese Affairs, Bureau of Far Eastern Affairs, not printed, which explained that this paper was agreed upon by the Bureaus of European, Far Eastern, and Economic Affairs in advance of a meeting on August 23 at which Secretary of State Acheson was briefed on the question of East-West trade in preparation for the meeting of the National Security Council the following day. Attending the briefing meeting were Ambassador at Large Philip C. Jessup, Acting Deputy Assistant of State for European Affairs James C. H. Bonbright, Director of the Bureau of German Affairs Henry A. Byroade, Deputy Assistant Secretary of State for Economic Affairs John E. O'Gara, Associate Chief of the Economic Resources and Security Staff Willis C. Armstrong, Max Bishop, the Department of State's member of the National Security Council Staff, and Barnett. In the course of the briefing meeting, Barnett recommended, and the Secretary and

2. The NSC agrees that the U.S. will drop its proposals for preconsultation and severely restricted quota controls, and that the current interpretation of List II treatment shall be accepted (i.e., unilateral limitation of shipments and exchange of information).

3. The NSC considers that the U.S. should not, in seeking acceptance of its export control proposals, threaten to withhold economic or military assistance. It further considers that both military security and economic recovery must be taken into account in the negotiations.

4. The NSC urges that full use be made of NATO channels to reenforce the parallel action negotiations.

5. The NSC recommends that the Secretary of Commerce approve the export licenses for the Austrian Steel Mill.

6. The NSC considers that the ratings of the rail transportation equipment, except for the items already agreed to be 1–A, shall be 1–B.

7. The NSC confirms the policy of treating Austria, Sweden, and Switzerland on the same basis as other OEEC countries in terms of U.S. export controls.

Jessup heartily agreed, that the problem of Japan's trade with Communist China and North Korea be regarded as disposed of for the time being, even though the Department of State and Department of Defense were likely to disagree if and when the Korean crisis was resolved and something approaching normal economic life was restored in the Far East. Barnett also recalled that during the briefing meeting, Secretary Acheson "outlined a masterful statement on the whole subject of East-West trade," which several of the participants immediately afterwards attempted to put on paper in outline form. (For a possible version of an outline of the Secretary's remarks, see Jessup's memorandum of August 24, *infra.*) Barnett indicated that Secretary Acheson attended the National Security Council meeting on August 24 (see the Record of Actions of that meeting, p. 179) unassisted by any staff.

S/S–NSC Files : Lot 63 D 351 : NSC 69 Series

Memorandum by the Ambassador at Large (Jessup) to the Secretary of State [1]

TOP SECRET [WASHINGTON,] August 24, 1950.

Subject: Item I—NSC 69
Export Controls Security Policy

This problem breaks down into two parts. First, U.S. export control policy on which there seems to be no real disagreement except for the special cases of Austria and Sweden. You may wish to put these two cases aside and take up first the second part of the problem which involves our negotiations with our Western European friends. There follows a brief outline along the lines you suggested yesterday.

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[1] This memorandum was obviously prepared in connection with the August 24 meeting of the National Security Council, the first agenda item of which was the question of export controls and security policy. For the Record of Actions of that meeting, see *infra.* This memorandum may be a version of an outline of Secretary Acheson's remarks on East-West trade made during a briefing meeting the previous day (see footnote 1, *supra*).

What do they get?

Neighborhood of 50%, of great importance to West, comprised of:
Grain
Coal
Potash
Lumber & forest products
(pit props)

Remainder, none frivolous or luxury items—many items in varying quantities—all of economic importance:

Chrome	Kaolin
Manganese	Coal tar products
Phosphates	Textiles
Magnesite	

Foodstuffs, machinery, vehicles, electrical equipment

What do they give?

Farm equipment	Wool	In varying quantities
Bicycles and automobiles	Textiles	
Coastal and river vessels	Pumps	
Fish and fish oil	Foodstuffs	
Fruit	Dyestuffs	
Watches		
Metals		
Machinery		

Percentages are meaningless

(five minutes of choking)

How do they carry it on?

No self-functioning markets
Must make annual over-all deals which must include sales and purchases worked out country by country and item by item
What they get depends on variety they can offer.

What does Western Europe face if they accept U.S. demands?

We are demanding they cut out one-third of exports to East.
As result would lose much more than one-third of essential imports, perhaps all because no deal.

In fact, they stand to lose vital imports of somewhere around one billion per year—about one-third of ECA.

They feel we are driving them toward full embargo on trade with East and total loss of essential imports.

If U.S. attempted to offset their losses would mean not only necessary dollars to buy essential imports but also some arrangement to absorb their exports and soften economic shock caused by dislocation. Here again percentages meaningless.

All this at a time when they have no adequate defense and a deep feeling of insecurity.

Until they have adequate defense and a sense of security, accepting U.S. demands would mean:

Increased tension with East
Possible provocation of East

War hysteria—loss of confidence
Loss of imports really needed for stability

We cannot base one of major aspects of total situation on premise that we must make people do what we know already they will not do.
We must have practical solution.
Need for speed in settlement

Irritant in our over-all relations including development common defense program
German export control problem most serious in Europe because of German capacity produce, and problem insoluble unless general agreement reached.

Practical solution really means reaching agreement with European Allies.

We should endeavor to gain maximum acceptance our proposals, and settle it soon.
To do so, we may be forced to lower our sights for the time being by not insisting on less important items and proposals.

Do best we can now and review entire matter in six months when Europeans have more defense and sense of security, they might view problem differently.

(World War II experience with economic controls)

PHILIP C. JESSUP

S/S–NSC (Miscellaneous) Files: Lot 66 D 95: NSC Records of Action

Record of Actions by the National Security Council at its 66th Meeting, August 24, 1950

TOP SECRET [WASHINGTON, August 24, 1950.]

Note: The President participated in the following Council actions.

Action Number 347

Subject: Export Controls and Security Policy

(NSC 69/1;[1] NSC 69;[2] Memo for NSC from Executive Secretary, subject "Export of Steel Mill Equipment to Austria" dated June 7, 1950;[3] Memo for NSC from Acting Executive Secretary, subject "Strategic Rating of Railroad Transportation Equipment" dated June 9, 1950;[4] Memo for NSC from Executive Secretary, subject "East (Soviet Orbit)-West Trade" dated August 15, 1950;[5] Memo for

[1] August 21, p. 163.
[2] See the letter of April 25 from the Secretary of Commerce to the Executive Secretary of the National Security Council, p. 83.
[3] See the memorandum of June 6 from the Secretary of Commerce to the National Security Council, p. 139.
[4] See the memorandum of June 8 from the Secretary of Commerce to the National Security Council, p. 141.
[5] See the memorandum of June 26 by the Joint Chiefs of Staff to the Secretary of Defense, p. 152.

NSC from Executive Secretary, subject "Export Controls and Security Policy," dated August 25, 1950.[6])

a. Agreed that an effort should be made in connection with the forthcoming Foreign Ministers' meeting to obtain agreement on an export control policy as close as possible to existing U.S. policy, subject to review at periodic intervals as the Western European defense program develops.

b. Agreed that efforts should also be made through the NATO Defense and Military Committees to reach agreement on a military viewpoint regarding export controls, as a means of influencing Western European nations to adopt policies similar to U.S. policies.

c. Agreed that exports of strategic items to a Western European country should be denied whenever that country ships identical items or equivalent amounts thereof to Eastern Europe.

d. Agreed that the export of steel mill equipment to Austria should be postponed pending receipt of information regarding the possible use of this equipment by U.S. steel companies.[7]

e. Agreed that the export of steel rails to Communist China should be denied.

Note: The above actions subsequently referred for implementation as follows; *a* to the Secretary of State, *b* to the Secretary of Defense, and *c*, *d*, and *e* to the Secretary of Commerce. The Secretary of Commerce and the Economic Cooperation Administrator participated with the Council and the Secretary of the Treasury in the above actions. In connection with *c* above, the Secretary of Commerce read a statement regarding the shipment of molybdenum from the United States to England, subsequently circulated by the reference memorandum of August 25 for the information of the Council.

[Here follows the record of Council actions on other topics taken up during the meeting of August 24.]

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[6] According to a memorandum of September 1 by the Secretary of State, not printed, Secretary of Commerce Sawyer complained during the National Security Council meeting of August 24 that a quantity of molybdenum, an item on the American 1–A List of export controls, had been licensed for export to the United Kingdom in the spring of 1950 and subsequently had been resold and transshipped to the Soviet Union at the beginning of July. The memorandum under reference here, not printed, circulated to the National Security Council the text of a statement by the Secretary of Commerce at the Council's August 24 meeting regarding the matter. A review of additional facts in the case, prepared by the Department of State for Secretary Acheson on September 6, not printed, pointed out that the export, resale, and transshipment of the molybdenum, which was not included on International List I until the end of July 1950, had been carried out entirely within current regulations and procedures (S/S–NSC Files, Lot 63 D 351, NSC 69 Series).

[7] In a memorandum of August 28 to the Secretary of Commerce, not printed, copies of which were circulated to the National Security Council, Council Executive Secretary Lay explained that President Truman had that same day decided that the application for the export of steel mill equipment to Austria should be approved, since the possibility of the use of the equipment by a U.S. steel company had not materialized (S/S–NSC Files, Lot 63 D 351, NSC 69 Series).

441.119/8-950 : Telegram

The Secretary of State to the Embassy in the United Kingdom [1]

SECRET WASHINGTON, August 29, 1950—7 p. m.

1093. Excon. Re last para Embtel 811 Aug 9, rptd Paris 210.[2] In prelim FonMin talks starting here this week and in subsequent Sept mtgs NYC, Dept proposes discuss with Brit and Fr only one major issue, namely question criteria as to what is strategic. Fol approach similar Deptel 972,[3] Dept desires press these arguments at highest level in effort obtain agreement on these principles:

(*a*) An effective Excon program in interest of Western security must retard long-term development Sov bloc war potential well as limit its short term striking power;

(*b*) Such program requires adequate restrictions on export of selected list of items substantially contributing to basic industrial potential of Sov bloc well as on export of items of direct mil significance; and

(*c*) Each country shld be prepared make necessary econ sacrifices and cooperate with other countries to reduce burden.

If agreement reached on these principles we wld point out that it follows logically that US, UK and Fr shld follow up through CG structure by (*a*) reintroducing and reexamining 1-B items which CoCom has recommended be rejected for intl control and (*b*) proceeding promptly to clarify status of List III items in order bring them under intl control rapidly as possible.

We are not raising question of mechanics of control at this time or level on grounds that (*a*) question of strategic criteria is greater issue and if satisfactorily resolved shld permit discussion methods of control in more coop spirit, (*b*) if question strategic criteria not satisfactorily resolved, US will want to reconsider many aspects Excon policy, (*c*) raising these two issues concurrently might suggest compromise on control methods which we are not ready to enter upon (see *a*), and (*d*) by its nature this question seems probably best resolved in CG/CoCom where it can be related to specific items or categories of items in effort find most workable methods of control.

Dept aware Brit position reflects great emphasis given to econ costs involved in expanded control program, but believes probable econ

[1] This telegram was repeated to Paris as 1033.

[2] Not printed. It reported that in discussions the previous day British officials generally maintained that American-British policy differences on export controls were not great and that progress had been made in Paris in developing a control program. The British admitted that the differences became significant in the evaluation of the strategic importance of particular items, particularly those which had civilian use in Eastern Europe. The British indicated a fear that British trade with Eastern Europe would be entirely eliminated and that the United States would press in the direction of full-scale economic warfare. The Embassy asked for guidance for further discussions with the British in preparation for the forthcoming Foreign Ministers meetings in New York (441.119/8-950).

[3] August 22, p. 174.

burden exaggerated. Moore [4] has copies statistic tables on E-W trade (showing W Eur exp and imp by countries with EE as percent total for trade, estim percent "strategic" exports to total, etc) which might be useful to Emb in effort get Brit be more specific as to trade reduction actually likely. Brit might also consider extent to which reduction may be offset by coop action in West (e.g., diverting part of strategic exports to meet needs of greater rearmament programs in West).

Dept will inform Emb re results prelim talks.[5]

ACHESON

[4] Not further identified.

[5] American, British, and French Representatives held five preliminary conversations in New York, August 29–September 1 in preparation for the meetings of the Foreign Ministers later in September. A tripartite paper reviewing the preliminary discussion of East-West trade, document 3[D–5], August 31, is printed in vol. III, p. 1165.

400.62A9/8–3150

The Department of State to the British Embassy [1]

SECRET

AIDE-MÉMOIRE

The United States Government is addressing itself to the British Government because it is disturbed over the reported laxity in the administration of West German 1–B export controls since the responsibility for administering these controls was turned over to the Federal Republic in May. Discussions on this subject within the High Commission have not resulted in full tripartite agreement on remedial action.

The basic instruction from the High Commission to the German Federal Republic on export controls (HICOM P (49)74)[2] provided for a complete embargo on the shipment of 1–A and AEC items to certain destinations. With regard to 1–B exports, the instruction reads as follows:

" . . . The Allied High Commission now requires that the attached lists be taken into immediate use by the Federal Government and that controls be applied for the time being in accordance with the following guiding principles: [3]

. . . . . .

"(11) *Commodities included in List 2* (1–B)

[1] A similar *aide-mémoire* was presented to the French Embassy on September 1.

[2] The reference here is to the High Commission's letter of November 25, 1949, delivered to the German Federal Government on November 28; see letter from Adenauer to McCloy, February 2, p. 73.

[3] Omission indicated in the source text.

The export of any of these commodities to:

(*a*) Austria, Albania, Bulgaria, China, Czechoslovakia, Finland, Hungary, North Korea, Poland, Rumania, Switzerland, the U.S.S.R., Yugoslavia and the Soviet occupied area of Germany may be authorized by the Federal Government at its discretion in cases where the quantity of the proposed commodity is not substantial. In cases where the quantity proposed is substantial the application for export should be referred for prior approval to the Allied agency to be designated by the Allied High Commission. Whether or not a proposed export covers a substantial quantity of the commodity involved is for the Federal Government to determine, but the Allied High Commission is prepared to offer advice to the Federal Government in cases of doubt.

(*b*) Any country or area not included in (*a*) above may be authorized by the Federal Government at its discretion."

In so far as 1–B commodities are concerned this instruction, in general, required the German Federal Republic to apply export controls to such commodities and to submit to the High Commission applications for export in cases involving substantial quantities of these commodities.

An examination of the statistics prepared by the German central licensing agency covering the first several weeks of its operation clearly indicates that this instruction has not been followed. During 1949, according to additional statistics prepared by the German Ministry for Economics, shipments of 1–B commodities to the Soviet area, excluding Finland, Yugoslavia and the Soviet Zone of Germany, totalled only about $7,000,000. In contrast, during the first 20 days following the assumption of responsibility for export controls by the Federal Republic on May 10, 1950, 1–B export applications for the same area were approved at an annual rate of almost $70,000,000 even though during this same period more than 30 per cent of applications were returned for resubmission due to improper preparation. If the majority of these defective applications are resubmitted in proper form another $20 million more or less may therefore eventually be added to this already excessive total.

The United States Government feels that the German Government has violated both the letter and spirit of the High Commission instructions to it. It has not referred to the High Commission more than a negligible number of 1–B applications. At the same time, it is approving such applications at a disturbing rate, far exceeding any previous Allied approval rate for the same commodities.

In view of this action on the part of the German Government, and in view of British participation in the issuance of the above-mentioned instructions to the German Government, it is thought probable that agreement can be reached by the Occupying Powers to instruct the

German Government to process 1–B applications, for the time being, in accordance with the following principles:

(1) A limitation of the average monthly total of approved applications for the shipment of 1–B commodities to the Soviet-controlled area (excluding the Soviet-occupied area of Germany) to $700,000 (equivalent to 1949 1–B shipments plus an added 20 per cent for unconsummated approvals), and reference to the High Commission of applications in excess of that quantity;

(2) A limitation of the average monthly total of approved applications for the shipment of 1–B commodities to the Soviet-occupied area of Germany to 24 per cent of average total monthly shipments to the Soviet-occupied area of Germany during the period January–June 1950 (this figure is roughly equivalent to the percentage of 1–B commodities included in total exports to Eastern Europe in 1949); and

(3) A careful review by the High Commission of the monthly statistics prepared by the German central agency, in order to insure that monthly 1–B approvals are not concentrated too heavily in particular items on the 1–B list. The High Commission might use as a guide in this review the percentage of shipments of the particular items in 1949.

If the British Government is in agreement that the German Government has not followed the instructions of the High Commission, and that the above procedure constitutes an appropriate course of remedial action, the United States Government will request its representatives in the High Commission to seek agreement with their British and French colleagues as to the method of implementing the above procedures.

A similar conversation is to be held with the French Embassy on this subject.

WASHINGTON, August 31, 1950.

400.119/9–850: Telegram

The Secretary of State to the Embassy in the United Kingdom

SECRET PRIORITY WASHINGTON, September 9, 1950—1 a. m.
NO DISTRIBUTION OUTSIDE DEPARTMENT

1290. Excon. No text available Sawyer "off-record" speech to Natl Sales Executive Assoc Sept 7, urtel 1466 Sept 8.[1] *Wall St Jour* art Sept 8 states "Exports some strategic materials to friendly nations will no longer be permitted if those nations ship these or 'similar' commodities to Soviet Union or its satellites". Art further speculates new Commerce policy will be used as "club" to persuade W Eur countries cut down their exports strategic materials to Sovbloc. *NY Times* story

[1] Not printed. It asked for clarification of a statement on export controls by Secretary of Commerce Sawyer reported upon in the British press (400.119/9–850).

Sept 8 states "US will not grant export licenses for shipment critical goods or materials to nations which either transship such goods to Iron Curtain countries or send similar products of their own production to Russia and her satellites, Sec Commerce said today". Also said wld be unfair to US business to prevent selling goods to Russia when other countries selling same goods freely to Soviet Union.

Subcomite of House Comite Interstate and For Commerce commenced hearing Sept 6 and 7 on "granting export licenses for critical materials and policies pursued by Govt Depts with respect thereto". Will continue Sept 12. These hearings have devoted primary attention to case molybdenum transshipment.[2] Transcript record of Sawyer testimony Sept 6 reads "As far as transshipment is concerned, my instructions are that we are not to license for export from this country shipments which we have reason to expect are, or wld be, transshipped or where similar material might be shipped by the country getting the shipment. We have issued instructions that we are to stop shipments of our goods where we believe there is a shipment of similar goods; even though not the original shipment, we won't issue licenses".

So far as can be ascertained now, there has been no formal change in export licensing procedures or in existing process interdepartmental consultation re licensing. Foll is prelim clarification Sawyer statement. Statement may mean:

(*a*) Denial export IA or IB item from US to W Eur country if there is reason anticipate direct transshipment to Sovbloc.

(*b*) Denial export IA item from US to W Eur country if identical item, manufactured in W Eur country, exported to Sovbloc.

(*c*) Denial export IB item from US to W Eur country if identical item, manufactured in W Eur country, has been exported to Sovbloc, or at least reduction of US IB export by amount commensurate with W Eur export same item to Sovbloc.

Appears Sawyer's intention include (*a*) and (*b*), but not so clear that (*c*) intended. Latter implied since one version statement and Comite terms reference is to "critical" materials which wld include such IB items as copper. There shld be no problem re (*a*), and since W Eur countries have agreed to most US IA items, there might not be too serious impact from (*b*). (*c*) wld provide more serious problem, and if concept "similar" rather than "identical" included impact wld obviously be more serious. Shld be noted statement does not appear have direct implication denying capital equipment from US for manufacture IA or IB item in W Eur (such as ball bearing machinery), but might include situation where IA or IB material from US incorporated in end product exported from W Eur to Sovbloc.

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[2] Regarding the molybdenum shipment under reference here, see footnote 6, p. 180.

Extent to which pre-existing contracts wld be taken into account not clear. This matter also queried urtel 1427 Sept. 6.[3] US has never assumed obligation permit shipment items already under contract in announcing export controls. Fulfillment many contracts was interfered with at time US export controls instituted in 1948, and only in few cases were appeals granted on basis serious hardship to co concerned. Only exemption included in announcement items for addition Positive List has been statement in some but not all instances exempting shipments "which were on dock, on lighter, laden aboard an exporting carrrier or in transit to a port of exit pursuant to actual orders for export prior to date items put on list". This is exemption in favor shipment actually commenced, but not based on mere existence contract.

ACHESON

[3] Not printed.

460.509/9–1150 : Telegram

The Secretary of State to the Embassy in the United Kingdom [1]

SECRET PRIORITY WASHINGTON, September 11, 1950—noon.

1305. Excon. Deptel 1093, Aug 29, rptd Paris 1033.[2]

1. As result latest consideration in Dept and consequence NSC decisions, Dept will broaden its approach to Brit and Fr at FonMin mtgs as compared with position taken in prelim mtgs. In addition to remaining firm on original US proposal that PCs substantially accept our 1–B list, which means recognition of principle that controls shld be expanded to cover key industrial production areas, Dept will also propose agreement on general principles governing extent and methods of control to be exercised over items selected for control. Dominant thought at this time is to get explicit agreement which will permit more rapid progress at next CG/CoCom mtgs and can be reviewed after sufficient time has passed to test adequacy of agreed principles.

2. From viewpoint negotiating tactics, and in light of whole history this negot, it is obvious we cannot expect agreement on substantially complete control list with approx full extent of controls originally proposed, and also expect agreement on our original proposals as to methods of control (i.e., preconsultation, CoCom determination of individual quotas). Raising all issues concurrently implies minimum compromise must be faced now. Preferable it shld be on methods of control where we believe retreat from original proposal inevitable in any case.

[1] This telegram was repeated to Paris as 1236.
[2] *Ante*, p. 181.

3. Decision therefore is to accept substantially Brit argument that preconsultation is unworkable and agree to unilateral determination of quotas or other controls over items such as in Groups I and II of US 1–B list, but to insist on clear understanding as to extent of control desired; namely, (*a*) limiting Group I type shipments to minimum token amounts which PCs will have to justify (ex post) on grounds econ necessity; (*b*) limiting Group II type shipments to average of fifty percent of 1947–49 average exports in this category as a whole, permitting each PC to determine degree of reduction required in specific items to each desired cutback; and (*c*) exchanging info re exports of foregoing and all other listed items.

4. Foregoing objectives reflected in fol draft of an agreed minute which Dept will propose be accepted at NY mtgs beginning Tues. Copies handed to Brit and Fr Embs today and understood cabled FonOffs.

[Here follows the text of the American draft of an agreed minute on East-West trade, dated September 9, subsequently circulated to the meeting of the Foreign Ministers as document 33, September 13 and printed in volume III, page 1285. The final agreed minute of September 19 is printed *infra*. Substantive differences between the American draft and the final agreed minute are analyzed in telegram 1483, September 22, to Paris, page 191.]

ACHESON

S/S–NSC Files : Lot 63 D 351 : NSC 69 Series

Agreed Minute of the United States, British, and French Foreign Ministers [1]

SECRET [NEW YORK,] September 19, 1950.

1. The mutual security interest of the Western allies in the present world situation requires that their joint efforts to increase Western military preparedness be accompanied by effective export controls to limit the short term striking power of the Soviet bloc and to retard the development of its war potential in the longer term. This policy is consistent with the general objective of strengthening the West relative to the East.

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[1] This minute was approved by Secretary of State Acheson, British Foreign Secretary Bevin, and French Foreign Minister Schuman on September 19 following their meeting with the Belgian, Netherlands, and Luxembourg Foreign Ministers in New York at the conclusion of Tripartite Meetings of Foreign Ministers, September 12–14 and 18–19. This agreed minute is a revised version of an earlier American draft, circulated to the Foreign Ministers as document 33, September 13, and discussed by the Foreign Ministers at their meeting on September 18. The text of the American draft and the record of the meeting of September 18 are printed in vol. III, pp. 1285 and 1234, respectively. This agreed minute was subsequently designated conference document 40, September 26. The source text was included as a subannex to Jessup's memorandum of October 11 to National Security Council Executive Secretary Lay, p. 202.

2. In addition to the embargo of exports of direct military significance such as those on International List I, it is essential to restrict exports to the Soviet bloc of selected items which are required in key industrial sectors that contribute substantially to war potential.

3. Strategic considerations should be predominant in selecting items for international export control and the opinion of military and intelligence advisers should be sought in assessing the strategic importance of items recommended for control.

4. Officials of the three Governments should meet to prepare a list of key items in those industries which contribute substantially to war potential. The list should have regard to US list 1–B. In addition to those items of direct strategic value the export of which to the Soviet bloc should be prohibited, the list should specify: (*a*) those goods the export of which to the Soviet bloc should be prevented because they are urgently required for the defense needs of Western Europe; (*b*) those goods the export of which to the Soviet bloc should be quantitatively restricted; and (*c*) those goods the export of which is neither prevented nor restricted regarding which there should be an exchange of information on exports made to the Soviet bloc. In making their recommendations on items the export of which is to be prevented or restricted, officials should take account of the economic impact of those measures on the economy of Western Europe particularly of any loss of essential supplies, and of the means by which such loss could be made good.

5. The three Governments should inform the other participating countries of any additional controls which may be agreed, and urge on them the desirability of instituting the same controls.

6. The three Ministers expressed the strong desire that the officials of the three Governments should meet as soon as possible in order to reach a speedy conclusion on these matters.

951.40/9-2050 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

SECRET PARIS, September 20, 1950—7 p. m.

1478. 1. Radio Bulletin under September 13 dateline reports following statements by Hoffman to Senate re Wherry amendment Communist bill:[1]

(*a*) Democracies receiving more items of military value from Soviet countries than they are sending;

(*b*) WE receiving from EE following strategic materials: copper, nickel, lead, zinc, ferromanganese;

(*c*) NAP countries have reached general agreement on what materials have sufficient strategic importance to warrant placing an embargo on their export to Soviet bloc;

(*d*) Furthering MDAP program "through the continuance of East-West trade".

2. *New York Times* September 18 and Paris edition *New York Herald Tribune* September 19 carried stories further statements attributed Hoffman re Wherry amendment defense appropriation bill, viz.,[2]

(*a*) Banning shipments strategic materials to iron-curtain countries may wreck entire foreign aid program;

(*b*) Language of bill too restrictive because covered "articles which may be used in manufacture of arms or military material";

(c) West has been gaining more in strategic material from eastern European shipments than it has sent;

(*d*) "We are winning what amounts to a form of economic warfare."

3. Having about reached saturation point here on obtaining any further appreciable parallel Excon controls (Embtel 1251, Septem-

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[1] On September 12 during Senate debate of the Internal Security Act of 1950 (subsequently enacted into law as Public Law 81-831 of September 23, 1950), Senator Kenneth S. Wherry of Nebraska proposed an amendment which would have denied American assistance to countries found to be exporting items of war potential to the Soviet Union and its satellites; for the text of the Wherry amendment, see *Congressional Record*, vol. 96, pt. 2, p. 14606. In the course of the debate over the amendment, which was withdrawn that day without being voted upon, a statement by Economic Cooperation Administrator Paul G. Hoffman, strongly opposing the amendment, was read into the *Congressional Record* (vol. 96, pt. 2, p. 14610). The Department of State Wireless (or Radio) Bulletin under reference here, the official news service of the Department of State, was prepared by the Division of International Press and Publications and transmitted daily by radio to foreign service posts abroad.

[2] In connection with a bill making supplemental appropriations for the fiscal year ending June 30, 1951 (subsequently enacted as Public Law 843, September 27, 1950), Senator Wherry again offered the amendment identified in footnote 1, above. In place of the Wherry amendment, the House of Representatives (on September 21) and the Senate (on September 22) agreed to a substitute amendment proposed by Congressman Clarence Cannon of Missouri. The text of the Cannon amendment, which was included as section 1304 of the supplemental appropriations act as enacted, appears as the final paragraph of telegram 1493, September 23, to Paris, p. 192.

ber 8[3]), above statements will need explaining if we expect much further action through CG/CoCom mechanism.

4. It is impossible reconcile implications statements in paragraphs 1 and 2 with material received from Department dated September 11 containing following statements:

(*a*) "US analysis of available data suggests that the importance of East-West trade for the economic recovery of the west has been considerably overstated";

(*b*) "It is the US view that long range economic viability in west Europe would be advanced if dependence on east European markets was reduced now, during a period of large-scale US assistance programs, rather than to permit the Soviet bloc to choose, to its own best advantage, the time for a curtailment of trade."[4]

5. Department will appreciate interpretation that PC's will place on point 1(*c*) which implies satisfactory agreement has been reached on strategic items to be controlled by WE.

6. One principal difficulty here in expanding controls has been refusal other PC's agree control items of other than direct military significance. Point 2(*b*) above seems contrary paragraph 2 of agreed minute submitted at FM meeting which is designed expand controls to cover not only material and equipment needed to produce items of direct military significance but also of exports required in key industrial areas (Deptel 1236, September 11[5]).

7. As to point 2(*d*), Department is aware we have consistently denied that US proposals have ever envisaged economic warfare, and that to induce other PC's accept further controls we have insisted west was losing advantage unless US controls were adopted.

8. Department's comment would be appreciated. We would particularly like:

(*a*) Information supporting points 1(*a*), 2(*c*).

(*b*) Most recent export statistics showing, by country, exports by WE to EE and imports by WE from EE of items mentioned points 1(*b*) and 2(*c*). Department will appreciate fact that one of CoCom criteria used in determining which items should be controlled is availability in EE.

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[3] Not printed.

[4] The material quoted here has not been further identified.

[5] Same as telegram 1305, September 11, to London, p. 186.

460.509/9–2150 : Telegram

The Acting Secretary of State to the Embassy in France [1]

SECRET WASHINGTON, September 22, 1950—7 p. m.

1483. Excon. Depcirtel Sept 21, 11 a. m.[2] As text agreed minute on Excon policies indicates, Brit accepted paras 1, 2 and 3 US proposed draft [3] with very minor changes, thus recognizing strategic considerations shld be predominant in selecting items for control and recognizing controls shld be extended cover selected items in key industrial areas contributing substantially to war production. In principle at least, this shld eliminate Brit opposition to controls where normal peacetime uses are said predominate over strategic uses. Brit position that only "key items" in industrial sectors shld be controlled, believed to be greatly weakened. Dept confident further negots with Brit and Fr as soon as possible (ref para 6 of agreed minute) shld therefore yield considerable further progress toward more adequate controls.

Doubtful much more cld have been achieved at FonMin level, although US draft para 4, which Brit refused accept, represented effort to be more specific as to treatment items selected for control. Brit stated they cld not go along with anything so definite until econ as well as strategic factors given proper weight. Result was revised draft which Dept interprets as agreement draw up list items which will "have regard to" US 1–B list and specify items to be embargoed (including items of "direct strategic value" and items "required for defense needs of WE"), those to be restricted quantitatively, and those subj exchange info. Revised para 4 also includes agreement take account econ impact, which Dept had expected and construes as applying to extent of control which shld be imposed and not to whether an item shld be accepted for control.

Main drawback revised para 4, as compared with original draft, is less direct ref to US 1–B list and no specific ref to types of 1–B items (e.g., Group I and II) which shld be controlled in specific manner. Only agreement was to work out details promptly in tripartite conference.

There was no agreement on our part to have conference in London (re London's 1728 Sept 21, rptd Paris 489 [4]) although this probably

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[1] Repeated to London as telegram 1571.

[2] Not printed. It transmitted the text of the Agreed Minute of the United States, British, and French Foreign Ministers, September 19, p. 187.

[3] The text of the American draft minute under reference here, circulated to the New York Foreign Ministers meetings as document 33, September 13, is printed in vol. III, p. 1285.

[4] Not printed: it reported that the Embassy was informed by the British Foreign Office that a tripartite conference to work out further details of the agreement on East-West trade was planned for London in the near future (460.509/9–2150).

best. Either Paris or Washington acceptable although mtg in Paris might suggest CG caucus and if mtg held here Brit might handicap mtgs by continual ref to London for instrs. Wherever held, believe preferable mtgs start Oct 2 if possible. Dept believes sizable US Del probably necessary since experts needed expedite discussion. Useful if King, Moore and Armstrong cld review situation and comment jointly or separately on plan action for conference.

Although it is recognized there may be divergence views on questions such as inclusion additional 1–A items in Internatl List I, transit trade problems, action toward Sweden and Switz, continued secrecy re CG/CoCom and Internatl lists, and possible degrees informal relationship between CG/CoCom and NATO structure. Dept reluctant include these matters on formal agenda for tripartite mtg since they are more properly function CG/CoCom.

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460.509/9–2350 : Telegram

The Acting Secretary of State to the Embassy in France

SECRET WASHINGTON, September 23, 1950—3 p. m.

1493. Excon. Embtel 1478, Sept 20.[1] Emb will understand that Wherry amendment [2] in original form merited utmost efforts of admin to obtain its defeat. Communications to Congressional leaders from the President,[3] Mr. Hoffman,[4] General Bradley [5] and from Dept [6] laid greatest emphasis on (*a*) fact that policy of coercion toward our allies is wrong way to achieve our security objectives and (*b*) that rigid unworkable measure such as this might lead to stoppage all East-West trade (or cessation US aid to Eur and also non-Eur countries) and defeat our objective of maintaining econ strength of free nations to whom trade with EE is important. Radio Bulletin gave main emphasis to (*b*) because refs to (*a*) wld be harmful if Wherry amendment later approved.

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[1] *Ante*, p. 189.

[2] Regarding the Wherry amendment under reference here and the Cannon amendment which the Senate and the House of Representatives adopted in its stead, see footnotes 1 and 2, *ibid.*

[3] For the text of President Truman's letter of September 20 to Congressman Cannon and to Senator Kenneth McKellar of Tennessee, see Department of State *Bulletin*, October 5, 1950, p. 599, or *Congressional Record*, vol. 96, pt. 2, pp. 15425 and 15491.

[4] Regarding Hoffman's statement under reference here, see footnote 1, p. 189.

[5] For the text of the letter of September 19 from Gen. Omar Bradley, Chairman of the Joint Chiefs of Staff, to Congressman Cannon, see the *Congressional Record*, vol. 96, pt. 2, pp. 15417, 15419, or 15500.

[6] Assistant Secretary of State for Congressional Relations Jack K. McFall informed the Under Secretary's Meeting, September 20, that he was working closely with the White House and Congressional leaders regarding the proposed Wherry amendment (Document UM M–245, Under Secretary's Meetings, Lot 53 D 250, Minutes). No formal Department of State communication to Congress on the subject has been found.

Some ECA statistics on E–W trade include Fin and Yugo in EE and this may account for refs to Western imports from EE of strategic non-ferrous metals. Detailed statistics shld be available in OSR. Quick check shows most statements attributed Hoffman and cited in reftel were misquoted, some accurate in proper context.

Some apparent contradictory reports in press and elsewhere, stating one time that WE controls over strategic items are effective and another time that banning strategic shipments wld wreck foreign aid programs, can be explained by replacing statements in proper context to clarify whether items referred to are of higher or lower strategic rating. Widespread sentiment in favor of embargo of everything "strategic" has led Dept to make direct effort clarify that there are degrees of strategic importance, sometimes related to quantities shipped, and that what we want from E–W trade is not blockade but net advantage in our favor.

Foregoing does not attempt to reconcile all inconsistencies cited in reftel but may be useful to Emb in correcting any false impressions among other PCs. Dept does not share Emb opinion that officials fongovts may misconstrue recent statements here as indicating changes in US position or US satisfaction with existing Excon policies in WE. On contrary, seems probable that they recognize what Wherry amendment wld have meant and may well be impressed with strong Congressional support (and official opposition) it recd here.

Dept wld welcome info on reaction other delegs in CoCom to Wherry amendment controversy and to substantially modified Cannon amendment finally approved.

Fol is text of amendment finally approved by Senate Sept 22:

"During any period in which the Armed Forces of the United States are actively engaged in hostilities while carrying out any decision of the Security Council of the UN, no econ or financial assistance shall be provided, out of any funds appropriated to carry out the purposes of the Economic Cooperation Act of 1948, as amended, or any other act to provide econ or financial assistance (other than mili assistance) to foreign countries, to any country whose trade with the USSR or any of its satellites countries (including Commie China and Commie North Korea) is found by the National Security Council to be contrary to the security interests of the United States."[7]

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[7] The text printed here, which is slightly contracted to permit telegraphic transmission, was included as section 1304 of the Supplemental Appropriations Act, Public Law 843, September 27, 1950, 64 Stat. 1044.

460.509/9–1950 : Telegram

The Acting Secretary of State to the Embassy in France [1]

SECRET WASHINGTON, September 23, 1950—7 p. m.

NO DISTRIBUTION OUTSIDE DEPARTMENT

1498. Excon. Reurtel 1428, Sept 19.[2] NSC decision re use NATO defense and military comites for reaching agreement on military viewpoint re export controls based on belief that discussion export control policy in NATO wld support but not supplant efforts made in CG/CoCom. Reurpara 2, Dept position has been that it is desirable to relate CG/CoCom operation to NATO, but to keep center for action in CG/CoCom, while making use of NATO forum to exert additional pressure on govts concerned to accept US viewpoint. Will advise further re Defense plans for NATO discussions, and re possible changes in Dept's position on relationship CG to NATO.

Reurpara 3. Sawyer speech was based on his interpretation NSC decision. On Sept 19, Commerce presented to other agencies represented on R Proc Subcomite an ACR Program Determination drawn up by Secy Commerce without consulting Advisory Comite.[3] This was presented as basis for licensing actions to be taken by R Proc Subcomite. Text this document will follow by air pouch, but Dept and ECA in process reviewing whether Secy Commerce policy statement is a proper interpretation of NSC intent. State and ECA will not concur in any steps to implement the policy pending the outcome of such review. Will inform you of same.

Sawyer Program Determination states in summary that 1A items, whether on IL/II or IL/III, not yet proposed to CoCom, rejected by CoCom, or added to US 1A list after Sept 15 will be denied export to Western European countries including Sweden, Switzerland, Austria, Portugal and Spain, unless assurances are received by Dec 31 or in case List III items by Oct 9 that the country in question will embargo the items to the Sov Bloc. Capital equipment wld be denied export to Western Europe where there is "evidence that the equipment will be used to produce a 1A item which the country of destination is shipping, or may ship, to the Sov Bloc". Approval 1A items to non CoCom Western Europ countries and to CoCom countries for 1A's on List III, those rejected by CoCom, or those pending final determination, is dependent on finding evidence that the country of destina-

[1] Repeated to London as telegram 1579.

[2] Not printed. It asked that the Embassy in France be advised regarding plans to seek agreement, through the North Atlantic Treaty Organization, on East-West trade, the future relationship between NATO and the Consultative Group–Coordinating Committee system, and the implications of the Secretary of Commerce's speech reported upon in telegram 1290, September 9, to Paris, p. 184 (460.509/9–1950).

[3] Under reference here is Advisory Committee on Requirements Program Determination No. 381, September 18, 1950, not printed (S/S–NSC Files, Lot 63 D 351, NSC 69 Series).

tion is not shipping items within "the particular 1A listing" to Sov Bloc. Policy in Program Determination to apply without regard to existence trade agreements. OIC [4] is given authority to determine necessity for denials.

Dept most disturbed at implication new policy wld represent abandonment concept of seeking cooperative multilateral control program through CG/CoCom and wld replace this by unilateral program US controls accompanied by enforcement through coercion without regard to balanced evaluation US total security interests. Sawyer interpretation of policy to be applied to 1B shipments not yet announced to other agencies.

Will keep you informed further developments.

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[4] Office of Industry and Commerce of the Department of Commerce.

460.509/9–2650 : Telegram

The Acting Secretary of State to the Embassy in France [1]

SECRET PRIORITY WASHINGTON, September 26, 1950—7 p. m.

1564. Excon. Brit Emb informed Dept today that prelim London view is that next round tripartite talks shld be in London (understood Brit may be about to dispatch invitations) and shld fall into two stages:

(1) Review of action taken or contemplated by Brit Govt result recent Cabinet decisions in order determine precisely as possible scope further action required pursuant para 4 agreed minute.

(2) Drawing up of list along lines agreed and consideration econ impact.

Brit suggested that stage (1) might be handled by US and Fr Embs in London and hoped to be ready start these talks by second week Oct. Stage (2) wld require attendance experts. Dept understands this plan of action probably discussed by FonOff with Emb London today or tomorrow.

Dept advised Brit Emb as follows:

a. We believe London probably best mtg place but have not excluded other possibilities and are awaiting Embs comments.

b. We are aware that next CG mtg scheduled late Oct and, although CG might be postponed, consider it preferable initiate tripartite talks soon as possible in view likelihood discussions may be lengthy, especially if necessary reach agreement on detailed list specific items (Dept wld appreciate Embs views as to how specific tripartite agreement on list of items shld be in order assure satisfactory progress in subsequent CG/CoCom mtgs). Our tentative view was that general

[1] Repeated to London for action as telegram 1620.

discussions proposed for stage (1) shld commence some time next week if possible.

c. We reminded Brit Emb that stage (1) discussions wld have to resolve any differences of interpretation of FonMins agreement and also enter into such questions as (i) how to determine what items are urgently required for defense needs of WE, and (ii) how to take account of econ considerations in determining relative advantage. (On latter point, Dept is studying ways to relate this problem to some procedure of review for trade agreements. Embs comments or suggestions wld be useful.)[2]

WEBB

[2] Telegram 1655, September 30, to Paris, repeated to London as 1704, stated that the Department of State had informed the British Embassy that the United States agreed in principle that the forthcoming tripartite (American-British-French) talks on security export control be held in two stages, the first being general discussions to determine action required to implement the Foreign Ministers Agreed Minute of September 19 and the second being detailed discussions related to the drawing up of control lists. The Department suggested that the meetings begin in London on October 9 or 11 (460.509/9-2750).

460.419/9-2750 : Telegram

The Acting Secretary of State to the Embassy in the United Kingdom[1]

SECRET WASHINGTON, September 27, 1950—7 p. m.

NO DISTRIBUTION OUTSIDE DEPARTMENT

1636. Excon. Embtel 1810, Sept 26 for Dept only rptd London 1579[2] and Embtel 1829, Sept 27, rptd Paris 515.[3] Dept recognizes Emb's concern re negotiating difficulties in light Sawyer program and agrees that if program were implemented its coercive aspects wld alter nature of present voluntary multilateral negots. Dept is objecting strongly to Sawyer program in present form (which is applicable thus far only to 1-A items), and will keep Emb informed.

During recent efforts to defeat Wherry amendment,[4] major attack was directed at its coercive nature. Desirability of non-coercive policy was strongly reaffirmed by the President, Gen Bradley, Hoffman and Dept in letters to Rep Cannon and Sen McKellar (see *Cong Rec*

[1] Repeated to Paris as telegram 1584.

[2] Not printed. It reported that the Embassy in London was greatly concerned over Secretary of Commerce Sawyer's program for the denial to Western European countries of American strategic items unless assurances were received that the countries in question would embargo the items to the Soviet bloc (see telegram 1498, September 23, to Paris, p. 194). The Embassy felt that the Sawyer program contradicted the continued efforts to reach international agreement on export controls through negotiation, and, if implemented, would prevent the United States from reaching a compromise agreement at the forthcoming tripartite meeting in October on security export controls (460.509/9-2650).

[3] Not printed. It expressed the fear that implementation of the Sawyer program would result in the denial of U.S. financial assistance to noncomplying nations (460.509/9-2750).

[4] Regarding the Wherry amendment, see footnotes 1 and 2, p. 189.

Sept 22).[5] Cannon amendment requires NSC finding that "trade" of country is contrary to US security interest, and Dept considers it unlikely this wld be interpreted narrowly (e.g., to cover exports but not imports) or automatically (e.g., by delegation of auth to Secty Commerce to implement some rigid formula). Narrow and automatic interpretation wld imply Cannon amendment no different from Wherry amendment, which was rejected by Congress. Broader interpretation shld provide adequate opportunity to examine all aspects of any case which might arise. Stoppage of trade wld be serious step since wld be deliberate rather than automatic. Threat stoppage also wld be deliberate and directed to specific country.

NSC action on which Sawyer program based, furthermore, refers only to US Excon policy and shld not therefore have broader implications such as cutting off of US aid program or even, in Dept view, attempting to compel other countries to adopt Excon policies same as those of US.

Brit have acknowledged principle that items of high strategic importance shld be embargoed and that UK shld not export to Sovbloc items same as those it imports from US under MDAP or items needed for defense WE. Dept hopes that as result forthcoming tripartite talks Brit will have accepted practically all US 1–A items for embargo, or else have demonstrated that any remaining items need not be embargoed to Sovbloc, so that anomalous US position (recommending internatl agreement be reached and then refusing to accept it) will be ended.

In view Dept's attempt to modify Sawyer program there seems no need to delay tripartite talks. On contrary, Dept believes it preferable seek earliest possible resolution of outstanding problems so that all PCs, incl US, can acquiesce in a specific control list.

WEBB

[5] Regarding the communications under reference here, see footnotes 3, 4, 5, and 6, p. 192.

450.119/10–250 : Telegram

The Acting Secretary of State to the United States Delegation at the United Nations, at New York

TOP SECRET NIACT WASHINGTON, October 2, 1950—6 p. m.

356. For Raynor.[1] Swed Amb [2] informed Perkins [3] East-West trade problem may be brought up by Unden [4] when he meets the Secretary

[1] G. Hayden Raynor, United Nations Adviser in the Bureau of European Affairs, Department of State, serving as Adviser to the United States Delegation at the Fifth Regular Session of United Nations General Assembly, New York, September 19–November 5, 1950.

[2] Erik Boheman.

[3] George W. Perkins, Assistant Secretary of State for European Affairs.

[4] Östen Unden, Swedish Foreign Minister.

Tuesday or Wednesday.[5] For background: Commerce is suspending action on licenses to export 1–A items to certain Western European countries including Swed pending clarification of policy established in NSC action 347 dated Aug 24.[6] Resulting suspension of action by Commerce on several specific licenses for Swed during past week has brought matter sharply before Swed Emb. Items involved include petroleum coke, molybdenum, lube oils and special steels. We have drafted a State Dept position which is less restrictive than Commerce interpretation. Reconciliation of conflicting US Govt viewpoints is hoped in near future. Unden is inclined regard such trade controls as "economic warfare" and is violently opposed to latter.

If Unden broaches this question, suggest Secretary may wish comment along lines that Western powers have real problem in trying to prevent shipment of goods which would increase Iron Curtain war potential. Having decided refuse shipment such goods from US or other Western European powers to Soviet bloc, we are faced with two serious problems with respect to shipments by countries with less severe security controls: (*a*) trans-shipment through such countries to Soviet bloc, (*b*) shipments from indigenous production to Soviet bloc of items prohibited shipment by US while at same time such items being imported from US. The Secretary might ask Unden how he would like to propose the problem be handled so far as shipments to Swed are concerned.[7]

WEBB

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[5] Foreign Minister Unden and Secretary of State Acheson headed their respective delegations at the United Nations General Assembly.

[6] *Ante*, p. 179.

[7] During a conversation with Secretary of State Acheson on Tuesday, October 3, Foreign Minister Unden did bring up the question of East-West trade. According to Raynor's memorandum of that conversation, not printed, Unden referred to the increasing difficulty Sweden was encountering in obtaining export licenses, and he emphasized the great importance to the Swedish economy of certain exports from the United States. Unden stated that Sweden could not make an "undertaking" on the question of export controls, but he implied that the United States should have some confidence in Sweden's handling of the matter. Secretary Acheson stated that there was no intention of imposing a general embargo, but he indicated that the tightening up of export controls on certain items to the Soviet Union was a matter of serious concern to the United States (Secretary's Memoranda, Lot 53 D 444, Secretary's Memoranda of Conversation). Lot 53 D 444 is a comprehensive chronological collection of the Secretary of State's memoranda and memoranda of conversation for the years 1947–1953, as maintained by the Executive Secretariat of the Department of State.

460.539/10–650 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

SECRET PARIS, October 6, 1950—8 p. m.

1825. Excon. ReDeptel 110 to Lisbon October 2, repeated Paris 1670, London 1713.[1]

1. Question of Portugal becoming member CG presents number of problems which we believe merit full and careful consideration before any overtures made to Portuguese.

2. First question is relationship between CG/CoCom operation and NATO. As Department is aware, there have been suggestions both from Embassy and other PC's as to desirability of considering liaison between CG/CoCom and NATO. Have other PC's signed secret minute such as that quoted paragraph 14 reftel?

3. Certain procedural questions arise as to the manner in which Portugal should be requested to join CG/CoCom operation should it be decided it should become member this group. Germany was invited become member by CG. If CoCom/CG operation is to continue divorced from NATO, we assume same procedure would be followed in case of Portugal. This would require CG discussion and we cannot discount possible objections by other PC's.

4. We assume Portugual exports 1A and 1B items and diversions to Soviet bloc negligible. We have no information on this subject or Portuguese export controls other than Torep A–20, July 25, 1949, copy ECA/Washington.[2]

5. A very practical question is whether it would be to best US interests to have Portugal join a group in which US is in minority and which is controlled as result present policy cleavage by UK. On basis information at hand we see no benefit Portuguese membership CoCom at this time.[3]

Sent Department 1825, repeated information Lisbon 6.

BRUCE

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[1] Not printed. It proposed the prompt conclusion of a bilateral military assistance agreement with Portugal in order to regularize the planning, programming, and delivery of military aid to Portugal. The draft text of such a bilateral agreement was transmitted together with the text of a proposed secret minute under the terms of which Portugal would undertake to consult on and cooperate in the development of security export controls over war-potential items. The Department of State assumed that on the basis of the secret minute, Portugal would become a member of the Consultative Group. The Embassy in Paris was asked to comment (740.5 MAP/10–250).

[2] Not printed.

[3] Telegram Tomap 123, October 10, to Lisbon, repeated to Paris as 1850, not printed, stated that in light of the comments made in the telegram printed here, negotiations for a bilateral military assistance agreement with Portugal, together with the proposed secret minute on cooperation on security export controls, should proceed but without any overtures regarding Portuguese membership in the Consultative Group (740.5 MAP/10–1050).

The United States-Portuguese Mutual Defense Assistance Agreement was signed in Lisbon on January 5, 1951; for text, see TIAS 2187. Documentation on the negotiation of this and other mutual defense assistance agreements with Western European countries is included in vol. III, pp. 611 ff.

454.119/10-1050 : Telegram

The Minister in Switzerland (Vincent) to the Secretary of State

CONFIDENTIAL BERN, October 10, 1950—10 a. m.

532. Excon. In recent conversation with Zehnder,[1] he expressed fear, based on reports of Swiss businessmen, that a general embargo, through refusal to approve export licenses, had been placed by US on shipments of critical materials to Switzerland. He mentioned particularly nonferrous materials and asked whether this was policy directed solely against Switzerland or whether it was general measure adopted while assessment being made of over-all rearmament needs. I told him I was unaware of any specific embargo of exports of the kind to Switzerland and therefore that his second assumption seemed nearer the mark.

The Swiss have recently adopted an extensive rearmament program whose implementation will depend in large measure on imports of unprocessed materials from US, and they are deeply concerned that allocation under MDAP may exclude them entirely from American market. Zehnder indicated that Swiss might now be prepared to give firm guarantee that imported strategic materials would not be re-exported. Question arises, however, concerning internally produced products, such as machine tools, which contain in some degree materials from US. Swiss insist that such machines are going to East in ever decreasing amounts. It is possible that augmented purchases from West resulting from rearmament program would result in complete denial to East.

Problem now is whether we should obtain firm Swiss Government control over the transshipment of strategic materials (present government controls over export or re-export arms and armament, we believe, effectively denies such items to East) as prerequisite to export licensing of critical materials to Switzerland, or whether we should use Swiss need of these materials as lever for endeavoring to obtain Swiss export control over all imported and internally produced strategic items generally included on international lists.

Department's views would be appreciated.

VINCENT

[1] Dr. Alfred Zehnder, Chief of the Division of Political Affairs, Swiss Political Department.

400.119/10-1150

Memorandum of Conversation, by the Director of the Office of European Regional Affairs (Martin)

SECRET [WASHINGTON,] October 11, 1950.

Participants: S—The Secretary
E—Mr. O'Gara [1]
RA—Mr. Martin

The Secretary reported that Mr. Foster, ECA Administrator,[2] called to say that ECA operations were being seriously interfered with by the refusal of Commerce, despite repeated requests, to issue licenses for 1-A and high 1-B items to ECA countries. These licenses were being put on the shelf pending further negotiations to insure that the ECA countries were controlling adequately the export of similar items to the Soviet area.

It was pointed out that the NSC decision,[3] upon which the Secretary of Commerce based his action, was badly in need of clarification but that to refuse to issue licenses pending such clarification would not only impair the ECA program but jeopardize the success of East-West trade negotiations to be held shortly in London with the British and the French. It was also reported that repeated efforts to persuade Sawyer and Blaisdell [4] to change the Commerce position had failed.

The Secretary proposed that he attempt to secure the signature of the President, before his departure for the Pacific, to a letter to the Acting Secretary of Commerce indicating that the action being taken by Commerce was not the action he intended and had approved in NSC 347, and that he, therefore, wished that, pending the President's return from the Pacific, at which time the matter could be straightened out, Commerce would issue licenses in those cases in which the ECA Administrator indicated they were essential to the success of ECA purposes.

The Secretary further proposed that he meet with the President, accompanied by Foster and Blaisdell, to secure approval of such a letter.

This procedure was approved by telephone by Harriman [5] and Foster.

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[1] John E. O'Gara, Deputy Assistant Secretary of State for Economic Affairs.

[2] On October 1 President Truman appointed William C. Foster, until then Deputy Administrator of the Economic Cooperation Administration, to succeed Paul G. Hoffman as Economic Cooperation Administrator.

[3] The reference here is to National Security Council Action 347 of August 24; see p. 179.

[4] Thomas C. Blaisdell, Jr., Assistant Secretary of Commerce for Foreign and Domestic Commerce; during Secretary Sawyer's absence from Washington in mid-October, Blaisdell served as Acting Secretary of Commerce.

[5] In late June 1950, W. Averell Harriman, until then the Special Representative in Europe for the Economic Cooperation Administration, assumed the post of Special Assistant to President Truman.

On communicating this proposal to Blaisdell, Blaisdell said that Secretary Sawyer, before his departure for the Caribbean, had given him authority to modify the Commerce position and that rather than bother the President he would give the Secretary his word that Commerce will issue new licenses that the ECA Administrator said were necessary and that the Secretary of State said should be issued to prevent embarrassment at the forthcoming negotiations with the British and French. On the basis of these assurances, the proposal to secure a letter from the President was dropped.

EDWARD M. MARTIN

S/S–NSC Files : Lot 63 D 351 : NSC 69 Series

Memorandum by the Department of State Member of the National Security Council Senior Staff (Jessup) to the Executive Secretary of the National Security Council (Lay)[1]

SECRET [WASHINGTON,] October 11, 1950.

Subject: Export Controls and Security Policy: Transmittal of Report of Progress in Export Control Negotiations with Great Britain and France at Foreign Ministers' Conference, New York, September 18–19, 1950.

Reference: NSC Action No. 347 *a*, August 24, 1950.[2]

It is requested that you circulate to interested departments and agencies the attached report of progress in export control negotiations with Great Britain and France at the Foreign Ministers' Conference in New York September 18–19, 1950. These negotiations were undertaken pursuant to NSC Action No. 347*a* of August 24, 1950.

It will be recalled that initial discussions on the subject of security export controls were undertaken at the Foreign Ministers' Conference in London during May, 1950. The Secretary of State's proposals met with stubborn resistance from the Foreign Ministers of Great Britain and France at that time. The principal stumbling block was the conviction of the British and French Foreign Ministers that security export controls would inflict disproportionate damage on their national economies. Despite the difficulties, the Secretary of State was able to make some progress toward acceptance of the U.S. point of view.[3]

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[1] The source text was circulated as a National Security Council Progress Report by the Department of State on the Implementation of Export Controls and Security Policy, October 11, 1950. It was considered by the National Security Council at its meeting on November 2; see the Record of Actions of that meeting, p. 225.

[2] *Ante*, p. 179.

[3] Regarding the meetings in May under reference here, see the memorandum by Martin, p. 123.

Negotiations were continued on the expert level in Paris during the summer. These negotiations were protracted by the necessity of bringing the divergent points of view closer together and by considerable additions to the proposed list of restricted commodities.

NSC Action 347*a* of August 24 called for the making of an effort in connection with the September Foreign Ministers' Meeting in New York to obtain agreement on an export control policy corresponding as closely as possible to existing U.S. policy, subject to review at periodic intervals as the Western European Defense Program develops.

As the enclosed report of progress indicates, the Secretary did succeed in New York in enlarging the area of agreement and was able to convince the British and the French that they should come much further than they have before to meet our views as to the necessity, from a security standpoint, for thoroughgoing export controls.

While the agreed minute of September 19 (Attachment 3)[4] is a compromise between our draft of September 9 and the UK draft of September 18,[5] it represents a much closer approach to our stand than any earlier position taken by the British and French. On October 6 the British Government imposed licensing controls over all power-operated metal-working machine tools to all destinations except the United States and the British Commonwealth. We have been informed that no licenses will be issued for Eastern European destinations pending completion of a list of machine tools and other strategic articles being prepared for the purpose of assessing allied defense requirements.

There will be further reports to the NSC on this subject as developments warrant.

PHILIP C. JESSUP

[Enclosure]

Report Prepared in the Department of State

SECRET [WASHINGTON, undated.]

REPORT OF PROGRESS IN EXPORT CONTROL NEGOTIATIONS WITH GREAT BRITAIN AND FRANCE

(Foreign Ministers Conference, New York, Sept. 18–19, 1950)

Reference: NSC Action No. 347 (*a*), August 24, 1950.[6]

As the result of the representations made to the British by the State Department at the direction of the Secretary of State, the British

[4] *Ante*, p. 187.

[5] The American draft agreed minute under reference here, subsequently circulated at the New York Foreign Ministers Conference as document 33, September 13, is printed in vol. III, p. 1285. Principal differences between the American draft and the British draft under reference here were analyzed in telegram 1483, September 22, to Paris, p. 191.

[6] *Ante*, p. 179.

had substantially altered their position at the time of the Tripartite Ministers Meeting in New York. Prior to this the British had maintained that they were unwilling to consider limitations on exports to the East on any items but the most critical war materials which could be embargoed. They took this position for two reasons: (1) The economy of Western Europe and its rearmament effort would suffer seriously from the loss of trade with Russia and its satellites; and (2) It was impracticable to establish any limitations other than outright embargoes. At the time of the meeting they were prepared to agree that quantitative restrictions could and should be established on appropriate items. They were also prepared to agree that goods which were needed for European defense should not be exported to the Soviet bloc.

When the British studied our draft of an agreement (Attachment I)[7] they were not satisfied with it as they did not think sufficient emphasis had been placed on the importance of economic considerations in determining East-West trade policy. They consequently submitted a draft (Attachment II)[8] which eliminated some of the specific language in our first draft and which brought in economic considerations more forcefully. The Secretary of State did not feel that the British draft was satisfactory and, consequently, an Agreed Minute was adopted (Attachment III)[9] which represents a compromise in the wording of the two previous drafts.

From the US point of view very substantial progress was made. The British and French accepted two basic principles which the US has sought unsuccessfully in the past: (*a*) that strategic considerations should be predominant in selecting items for control; and (*b*) that controls should be extended to cover "selected items in key industrial areas contributing substantially to war potential". Now that these principles have been agreed to it should be possible to discuss the items on the 1–B list in a reasonable atmosphere. How far the British and French will be willing to go will only be determined through negotiations on specific items, but it is to be hoped that with agreement on these new criteria controls may be established over many of the items on the 1–B list heretofore rejected for control.

However, the Agreed Minute does not give us an agreement on some of the more specific principles which we had hoped for as a guide in future negotiations at Paris. The British argued that they could not accept anything so specific until there had been opportunity to study the matter more fully, taking into account the impact of more extensive controls on the economy of Western Europe. They also wish

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[7] Not printed here, but see footnote 5, above.
[8] Not printed, but see *ibid.*
[9] For the Agreed Minute of September 19, see p. 187.

to consider the means of making good any losses in essential supplies from Eastern Europe as a result of the control program.

By agreement of the Ministers, further tripartite negotiations will be undertaken at once, beginning at London in mid-October, in order to reach agreement on a specific list of strategic items which should be controlled. Such a list would then be presented to other countries participating in the Paris Group. The results of these negotiations will be brought to the attention of National Security Council members.

460.509/10–1350 : Telegram

The Secretary of State to the Embassy in France [1]

SECRET NIACT WASHINGTON, October 13, 1950—4 p. m.

1917. Excon for Bohlen.[2] Embtel 1941, Oct 12.[3] Summary of main points in instrs for USDel tripartite talks follows: [4]

I. General objectives of USDel. Refers to NSC action [5] directing effort obtain agreement close as possible to existing US policy, and to Agreed Minute [6] directing effort obtain agreement on control list. Sets forth broader objective strengthening West and spells out goal of relative advantage. Says agreement shld be as specific as possible and shld "substantially complete internatl embargo of US IA items and extend effective controls over most items on US IB list". Draws attention to NSC decision re denial exports to friendly countries if they ship identical items or equivalent amounts to Sovbloc. States USDel shld seek Brit and Fr implementation of controls agreed at London (as implied in AM), in addition to their support in CG/CoCom.

II. General Tactics. We shld encourage Brit to state their present or proposed Excon policy, but keep discussion within context of IA and IB lists as in CoCom. We expect agreement may be obtained on embargo list more extensive than we have asked (i.e., more IBs even if not all IAs), but expect continued opposition to effective quanti-

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[1] This telegram, which was cleared in substance by the Department of Commerce, the Department of Defense, and the Economic Cooperation Administration, was repeated to London as 1904.

[2] Charles E. Bohlen, the Counselor of the Embassy in France, had been designated Chairman of the United States Delegation to London Tripartite Conversations on Security Export Controls scheduled to begin on October 17.

[3] Not printed. In it Bohlen expressed concern that the new Department of Commerce policy directive on export licensing (see telegram 1498, September 23, to Paris, p. 194) would upset the forthcoming tripartite discussions on security export controls in London. Bohlen also pointed out that the United States Delegation to the London discussions still had not yet received any general instructions or indication of objectives (460.509/10–1250).

[4] The full text of the instructions summarized here, comprising 17 pages in the source text, was transmitted as an enclosure to an instruction of October 13 to Bohlen in London, not printed (460.509/10–1350).

[5] See the Record of Actions of the National Security Council Meeting of August 24, p. 179.

[6] *Ante*, p. 187.

tative controls, hence suggest approach emphasizing from outset importance we attach to latter, incl a hold-the-line policy on items listed for exchange of info. Believe impt emphasize also need for maximum number of items under control (i.e. licensing or admin action) to provide accurate intelligence re shipments. Recommend that agenda might usefully follow general outline provided in fol sections of this instr.

In connection with general statement US Excon policy, and in context of background explanation of US attitudes, Del shld make reference to US policy of denial impt strategic items to friendly countries when they ship identical items to Sovbloc, adding that policy not adopted for purpose of pressure for internatl agreement on controls since US does not intend deny license to any country simply because goods involved are not accepted for internatl control, but will examine each case in light all available info as to likelihood transshipment or export identical items from local production. (FYI, Commerce Defense and ECA concur in this para and agree that this aspect our Excon policy shld be made simply matter of record at London talks, to avoid any impression of bad faith (US is opposed to coercive tactics) or of US dissatisfaction with London results if policy were announced afterward, and that matter shld not be given emphasis or discussed in detail, since in fact details still being worked out.)

III. Interpretation of Agreed Min. This section emphasizes FonMin agreement on extension of controls to cover key industrial areas and on predominance of strategic considerations. No justification seen for large-scale rejection items on IB list. "Key industrial areas" open for discussion, with history these negots generally supporting our IB criteria as to categories, since most argument has concerned depth of control within categories. (As between "selected items" in para 2 and "key items" in para 4, we believe former states principle but see job of justification facing Intelligence Advisers.) Predominance of strategic considerations applies to drawing up control list, with econ factors to be taken into account when recommending (mainly) extent to which item shld be "restricted" (i.e., mainly in connection with quantitative controls). Brit at NY accepted principle that strategic aspect predominant if items also have peacetime uses, but strategic importance shld be demonstrable. Mil/Intelligence opinion re strategic importance might be sought from MPSB if needed; wld establish facts but not determine degree of control which shld be imposed. Other points of interpretation in subsequent sections.

IV. Intl List I: Embargo control. Only general instrs possible until Brit proposals known.

(*a*) Items of "direct strategic value" (AM para 4) refers to impt strategic industrial type items whether on our IA or IB lists.

(*b*) Residual IA items can and shld be introduced for embargo under "direct strategic value" formula, and also some of IA items not yet discussed in CoCom (instrs follow). In pressing for embargo, Del shld consider possibility of numerous requests for exception and undesirability of weakening embargo nature of Internatl List I. Items not accepted for embargo shld be proposed for presumptive denial (token shipment).

(*c*) Items needed for western defense. Brit offered no definition at NY. Concept might be considered to cover some items of lower strategic rating than our IBs, but USDel shld concentrate effort on items which can be correlated with US lists and which are (1) items any PC has obtained, is requesting or reasonably certain to request from US under MDAP, (2) items which one PC needs to obtain from another for its defense program, and which are in short supply, (3) items needed for existing stockpile programs, and (4) items urgently required for defense programs of non-PC friendly nations (e.g., Commonwealth, Greece, Turkey, Iran, Sweden, etc.). Continuing liaison between CoCom and MPSB seen necessary to keep abreast urgent defense needs.

V. Intl List II: Quantitative controls. Little guidance in Agreed Min.

(*a*) Presumptive denial or "token shipments". USDel shld reintroduce proposal made at NY (and hardly discussed) for special category in List II involving presumptive denial and ex post facto justification to CoCom in specific cases of exceptions. Del shld seek agreement on conditions justifying token shipments.

(*b*) Percentage curtailment. Other items agreed for List II shld be subjected to average 50 percent reduction as compared with whatever postwar base period is acceptable. (Detailed percentage formula and a slightly modified alternative are in instrs.) We want substantial overall reduction combined with maximum latitude for PCs to work out details for specific items. In addition, all PCs shld report to CoCom steps they propose to take and also report actual shipments. CoCom wld review action being taken or proposed, study recommendations of various PCs and recommend specific goals to be sought in limiting total shipments of individual items. CoCom wld take econ considerations into account in making recommendations.

(*c*) Relative priority of items. Instrs to follow later.

VI. Exchange of info. USDel shld request that items introduced for discussion and of possible strategic importance be placed on a List III "for further consideration and exchange of info". There shld be sufficient control to provide detailed info on shipments. Since these items might later be restricted (i.e., exports actually reduced), PCs shld agree to take steps to prevent an increase in exports to Sovbloc. Specifically, PCs shld make effort in TA negots to avoid commitments to export in future greater quantities than they have allowed in past.

VII. Considerations of Econ Impact. Believe this shld be discussed from overall standpoint early in negots, rather than in connection individual item discussions. Recommend USDel approach along fol

lines: (1) econ considerations are secondary to strategic factors; (2) econ impact shld be considered mainly as it relates to quantitative controls, first in arriving at agreement on percentage reduction and second in connection with CoCom recommendations of goals for limiting specific items; (3) expanded controls may cause some impact but extent has been generally overestimated, so burden of proof shld rest with PC affected and shld include consideration of offsetting factors; and (4) there shld be agreement in principle that some degree of econ sacrifice may have to be accepted; objective shld be to find practical ways to reduce this to minimum. Remainder of instr is brief review of line of argument USDel might adopt in discussing impact attributed to (1) loss of export markets, (2) loss of essential supplies, and (3) adverse effects on balance of payments position. General line is that impact cannot be predicted in advance, wld probably be small and manageable through *ad hoc* measures, with ultimate impact probably felt as pressure on dollar resources which are however benefitting as result increased aid programs.

ACHESON

460.509/10–1250 : Telegram

The Secretary of State to the Embassy in the United Kingdom [1]

SECRET PRIORITY WASHINGTON, October 16, 1950—7 p. m.

NO DISTRIBUTION OUTSIDE OF DEPARTMENT

1962. Excon. For Bohlen. Urtel 1941 from Paris, Oct 12.[2] Dept desires clarify its position re current export policy. Fol is chronological development since NSC Action 347: [3]

1. NSC Action 347 was considered ambiguous in its wording and also appeared inconsistent within itself. Items (*a*) and (*c*) appear to be contradictory.

2. Secy Sawyer issued P.D. 381 [4] in order implement paragraph (*c*) which was assigned him for action. This action was taken on unilateral basis without consultation Dept.

3. Dept and ECA took exception this procedure due its strong unilateral approach by US to problem export controls and due far reaching implication re general US policy. Position paper was prepared for ActSecy State outlining objections to P.D. 381, principal

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[1] This telegram, which was not cleared outside the Department of State, was repeated to Paris as 1964.

[2] Not printed, but see footnote 3, *supra*.

[3] Regarding NSC Action 347, see the Record of Actions of the National Security Council Meeting of August 24, p. 179.

[4] Regarding the Advisory Committee on Requirements Program Determination No. 381, see telegram 1498, September 23, to Paris, p. 194.

objection being that P.D. 381 was absolutely contrary to policy voluntary multilateral negotiation and would prove detrimental contemplated tripartite discussions London.[5]

4. R Proc Sub Comite proceeded process all pending 1A applications for WE under criteria P.D. 381. All cases within terms P.D. were referred OIC for action. OIC has not taken finalized action any these cases.

5. ActSecy discussed P.D. with Sawyer before latter left Wash and succeeded postponing date under which Dept Commerce wld take initial action under new policy.[6] Date was changed from Oct 9 to Oct 25. In meantime several more discussions have taken place, latest of which involved Secy Acheson, Foster (ECA), and ActSecy of Commerce Blaisdell. Since ECA cases were being delayed under criteria P.D. 381, suggestion was made that matter immediately be referred White House for clarification. Blaisdell said no necessity such action since if any pending cases considered urgent need for recovery WE by Dept or ECA, he wld immediately consider such cases for approval. Furthermore, Blaisdell said that the Dept Commerce wld issue licenses that Secy State said shld be issued to prevent embarrassment at the forthcoming negots.[7] As a result, all ECA cases which were pending under P.D. 381 were sent Blaisdell by ECA for his immediate consideration for approval. Furthermore, it is expected that the Secy will present this entire problem re P.D. 381 NSC mtg Oct 20.[8]

Dept feels there has been gradual weakening in policy advocated in P.D. 381 and that tripartite discussions should be conducted on basis *status quo* prior P.D. 381. Dept feels unfortunate that Deptel 1860 Oct 11, 1950[9] gave impression that P.D. 381 in full and effective operation. It wld probably be more correct to assume such policy is in suspension until resolution present dilemma. However, Dept repre-

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[5] The five-page position paper from Deputy Assistant Secretary of State O'Gara to Acting Secretary of State Webb, September 27, under reference here, is not printed (S/S–NSC Files, Lot 63 D 351, NSC 69 Series).

[6] No record has been found of the discussion between Acting Secretary of State Webb and Secretary of Commerce Sawyer which appears to have taken place about October 6 just prior to Sawyer's departure for the Caribbean area.

[7] Regarding the discussions between Secretary of State Acheson, Foster, and Blaisdell under reference here, see the memorandum of conversation by Martin, October 11, p. 201.

[8] Telegram 2258, October 28, to Paris, for Bohlen, not printed, informed that export policy was not discussed by the National Security Council on October 20, but that the Department of State was making every effort to secure a resolution of the problem during the coming week (460.509/10–2850).

[9] Not printed. It informed that ACR Program Determination 381 had been placed in effect by the unilateral action of the Secretary of Commerce, with the result that export licenses had been held up, but not denied, in cases covered by the order and pending the receipt of assurances from the governments affected. No such assurances had yet been requested, the Department of State had obtained the suspension of any action to deny licenses until at least October 25, and the Department of State was seeking to settle the whole question of the new Commerce program (460.509/10–1050).

sentatives tripartite discussions shld continue bear in mind possibility future adoption criteria P.D. 381 or modified version same.[10]

Dept representatives shld note that Commerce and Defense delegates do not agree with our position re P.D. 381 and may imply that from their point of view such policy is already in effect.

Will keep you advised re further developments.

ACHESON

[10] Telegram 2007, October 18, to London, not printed, informed Bohlen that he was entirely correct in not referring to ACR Program Determination 381 during the London Tripartite Discussions on Security Export Control. The telegram stated that Program Determination 381 did not represent agreed United States Government policy. United States policy was represented by National Security Council Action 347(*c*) (see p. 179) which remained to be interpreted more precisely but left no doubt that the United States would deny certain strategic exports to friendly countries if they shipped identical items to the Soviet bloc (460.119/10–1750).

460.509/10–1850 : Telegram

The Ambassador in Sweden (Butterworth)[1] *to the Secretary of State*

SECRET STOCKHOLM, October 18, 1950—6 p. m.

501. Excon. Re Embtel 433, October 4, repeated Paris 103, London 117.[2]

1. Astrom[3] of Foreign Office yesterday gave Embassy oral but definite assurances that, except for slight possibility of leaks through negligence or fraud, "no 1A or 1B items shipped to Sweden from US would be reexported East Europe". He indicated that there might be a very few Swedish exports EE which might prove to be approximately same or even identical with certain 1A and 1B items imported Sweden from US (presumably machinery or highly fabricated products) and that Swedish official assurances did not apply to this type nondeliberate substitution. It seems clear to Embassy that this proviso is not intended cover intentional or systematic substitution. Sweden's

[1] W. Walton Butterworth assumed office as Ambassador in Sweden on July 5, 1950, succeeding H. Freeman Matthews.

[2] Telegram 1387, September 15, from Paris, not printed, observed that Sweden had failed to make any definite reply to Consultative Group Chairman Alphand's *démarche* regarding Sweden's possible adoption of security export controls (see footnote 4, p. 137) and suggested, *inter alia*, that the export of 1–A and 1–B items to Sweden be halted or curtailed pending Swedish adoption of such controls (460.589/9–1550). Telegram 395, September 22, from Stockholm, not printed, urged that the curtailment of 1–A and 1–B items to Sweden be postponed until the Embassy had attempted to obtain Swedish concurrence on some agreed control procedure (458.119/9–2250). Telegram 433 under reference here, not printed, reported that the Embassy had requested of the Swedish Foreign Ministry a formal assurance that no 1–A and 1–B items shipped from the United States to Sweden would be reexported to Eastern Europe (460.589/10–450).

[3] Sverker Åström, principal aide to Swedish Foreign Ministry Secretary General Dag Hammarskjold.

imports from US are largely items which are not produced locally. In addition such imports require hard currency and therefore exchange considerations alone constitute a major bar transactions resulting in any major export of similar items to EE. We suggest therefore that the above assurance be accepted at face value at this time.

2. Assurances also not applicable 1A and 1B items originating in PCs. Astrom pointed out however that State Trade Commission does not authorize reshipment eastward of "sensitive" items purchased by Swedish dealers and imported from western European countries and he was confident that such transshipments to EE would occur only in insignificant amounts. He stated however that of course a properly documented shipment from western Europe of 1A or 1B items in transit through Sweden to EE will continue to go forward. He stated that such shipments must be controlled at place of origin.

3. In view these statements we feel that CoCom approach to Swedes (Embtel 497 October 17 [4]) should be successful on transit problem as it appears Swedes can probably give adequate assurances on reshipment list I or II items from all PC's.

4. Simple transit shipments controlled by destination (see section A Embdes 379 October 9,[5] copy sent Paris). Astrom stated that other shipments carefully screened for "politically sensitive items", with implication that 1A and 1B lists used for "guidance" in screening.

5. Full meaning Article 31 [6] still under consideration Commerce Minister, but Astrom stated that definition available soon.

Sent Department 501, repeated Paris 113, London 125.

BUTTERWORTH

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[4] Telegram 1880, October 10, from Paris, not printed, reported that the Swedish and Swiss Ministers in Paris had indicated to the French Foreign Ministry the willingness of their countries to cooperate informally with the Coordinating Committee on export controls. At its meeting on October 9, the Coordinating Committee agreed to work out a detailed approach to the two governments (460.509/10–1050). In the telegram under reference here, not printed, the Embassy in Stockholm welcomed the opportunity to approach Sweden and offered suggestions on the modalities of such an approach (858.00 (R)/10–1750).

[5] Not printed.

[6] The reference here is to article (or item) 31 of the Swedish Government decree (or proclamation) of November 25, 1949, which provided the authority for the control of exports from Sweden.

460.509/10-2050: Telegram

The Ambassador in the United Kingdom (Douglas) to the Secretary of State[1]

SECRET LONDON, October 20, 1950—7 p. m.

2294. Excon USDel.

1. First stage meeting completed today.[2] All conference documents being sent by today's airpouch.

2. We believe result is salutary clarification viewpoints three governments and considerable advance in UK views toward those of US. No real evaluation of situation can be made, however, until list of commodities are exchanged. One of significant results first phase discussions has been separation of the strategic aspects of Excon problem from that of economic impact. Separation of these problems should place burden of proof on UK and France to show in concrete way economic result of application controls agreed upon by technicians.

3. Another step forward is apparent readiness UK and France promptly embargo items in short supply. This should contribute in large measure to extending Excon controls so it will subsequently be difficult deny the strategic importance of items being embargoed because needed for defense western Europe.

4. One of most difficult problems that arose in first stage was interpretation paragraph 5 of ministerial minute,[3] i.e., as to whether it required the three governments to institute such controls as might be agreed between them, irrespective of whether other countries participating in the Paris organization followed suit. We took strong position that it did while the French delegation expressed some doubt and reserved their position. The UK delegation considered that it might be necessary to reconsider in the light of discussions in the CG any items of which the control by the three governments alone would be likely to be ineffective. It was agreed that the delegates would seek

[1] Although signed by Ambassador Lewis E. Douglas, this telegram was prepared by the United States Delegation to the London Tripartite Conversations on Security Export Controls, October 17–November 20, 1950. Charles E. Bohlen, Counselor of Embassy in France, served as Chairman of the Delegation, and Nat B. King, First Secretary of the Embassy in France, and Willis C. Armstrong, Associate Chief of the Economic Resources and Security Staff of the Department of State, served as Vice Chairmen. The Delegation also included advisers from the Office of the Special Representative in Europe for the Economic Cooperation Administration, the Department of Commerce, the Munitions Board of the Department of Defense, and the Embassy in the United Kingdom. The United Kingdom Delegation, headed by Eric A. Berthoud, Assistant Under Secretary of State in the British Foreign Office, included advisers from the Foreign Office, the Treasury, the Ministry of Defence, the Board of Trade, the Ministry of Supply, and the British Delegation to the Organization for European Economic Cooperation. The small French Delegation, headed by Étienne Crouy-Chanel, French Minister-Counselor in London, also included Jacques Fouchet of the French Foreign Ministry.

[2] For the official summary of Stage I of the London Tripartite Conversations, see the Agreed Report, document TRI/31 (Final), p. 234.

[3] The reference here is to the Agreed Minute of the United States, British, and French Foreign Ministers, September 19, p. 187.

governmental interpretation of this paragraph and that communications would be exchanged on the subject through diplomatic channels with view to reaching agreement on interpretation of this article before the meeting reconvenes November 7 to consider the report of the experts.[4] As requested in ourtel 2240 October 18,[5] Department's urgent comment, repeated Paris, is requested.

5. With respect to paragraph 4(*a*) of the ministerial minute it was felt that the question of common defense requirement might be appropriately considered in NATO. Working groups have been appointed to draft report outlining present position of the three countries in regard to export of goods required for defense and containing recommendations as to the manner in which this question should be submitted to NATO.

6. No agreement was reached on question of quantitative control. As to exchange of information there was subcommittee agreement that each of the three governments would (*a*) take such action as is required to assure that information of actual export of each item is available for exchange; (*b*) exchange such information monthly; (*c*) review such items to ascertain whether controls are warranted; (*d*) where there is evidence of excessive rise in demand take action at once to restrict further exports accordingly. A working committee will explore question of quantitative control in an effort to have agreement for reconvening meeting November 7.

7. With regard to paragraph 4 of the ministerial minute concerning loss of essential supplies and means by which loss could be made good, it was agreed that this could only be considered after precise indication of scope of additional controls and possible impact was available. This matter was therefore postponed until stage three of meeting beginning November 7.

8. It was agreed that the meeting would be in three stages, viz: Stage 1: (now completed) to draw up instructions to technical experts and insofar as necessary agree on interpretation FM minute; stage 2: Beginning October 26, meetings of working groups; stage 3: Consideration of detailed proposals of exports and agree on recommendations to government, beginning November 7.

9. The instructions to experts provide that military intelligence advisers should be associated with the technical discussions at all phases of stage 2 and such advisers may if necessary be asked to give their collective consideration to any particular problem of assessment of strategic significance.

10. The instructions to experts also provide that during stage 2 the assessment of economic impact should be made separately in order to

[4] Regarding the interpretation ultimately agreed upon by the three governments, see paragraph 9 of the Agreed Report, TRI/31 (Final), p. 239. Stage III did not actually begin until November 15.

[5] Not printed.

permit the officials at stage 3 to consider the economic impact as separate element and the technical experts in stage 2 to be free to focus their attention on strategic aspects only. It is envisaged that the economic advisers of the three delegations should meet during stage 2 as the work of the technical experts proceeds in order to be able to present their views on any economic impact for separate consideration in stage 3.[6]

11. Criteria for selecting items for control were agreed upon which we believe to be satisfactory.

12. Following timetable has been agreed upon:

(*a*) October 25: Exchange of lists of items proposed by the respective governments for control;

(*b*) October 26: Meeting of working groups to collate lists and arrange schedule of technical discussions by experts;

(*c*) October 30: Commencement of experts meetings;

(*d*) November 7: Reconvening of stage 3 with view to permitting statement of final result of tripartite talks to be made at CG in Paris now scheduled for November 15.[7]

DOUGLAS

[6] The operative portions of the instructions to the experts are in Annex C to the Agreed Report, TRI/31 (Final), p. 234.

[7] Stage III of the London Tripartite Conversations was actually held November 15–20. The meeting of the Consultative Group was rescheduled for November 29. For the report on the results of that meeting, see telegram 3069, November 30, from Paris, p. 246.

460.509/10-3050

Memorandum of Conversation, by the Department of State Member of the National Security Council Staff (Bishop)

TOP SECRET [WASHINGTON,] October 30, 1950.

Participants: The Secretary of State
Secretary of Commerce, Mr. Sawyer
Under Secretary of Commerce, Mr. Blaisdell
Administrator of Economic Cooperation Administration, Mr. Foster
Mr. Bishop

The Secretary of State opened the conversation by referring to the present NSC action, No. 347, which was drawn up by Mr. Lay to express the action taken by the Council at its last meeting on this subject, August 24, 1950.[1] The Secretary said that only recently had this particular record of action been brought to his attention. He went on to review what had been his understanding of the agreement at

[1] See the Record of Actions of the National Security Council Meeting of August 24, p. 179.

the Council meeting on August 24, and emphasized the difficulties which had arisen as a result of the Department of Commerce Order No. 381, September 18.[2] Some 22,000 applications are outstanding, around 1500 of these applications being for important ECA shipments. Mr. Sawyer in general agreed with the Secretary's interpretation of the meeting, but said that he did feel, however, that his order was designed only to carry out the policy as he thought it had been established by the National Security Council. Mr. Sawyer emphasized that he was not making policy and that he would, of course, execute whatever policy the Council or, in fact, the President laid down.

Secretary Acheson, in summary, said that what he would like for the Council to do was to reach agreement to the three following general points:

1. First, that we should finish the negotiations which are now underway and which we are confident will give us agreement on something like 90 per cent of the 1A items and 50 to 60 per cent of the 1B items;
2. Having finished the negotiations, we could then proceed to lay down some rules. We could say to the Western European countries that those items which we decide we will continue to classify as 1A and upon which we have not obtained agreement, will not be shipped to the Western European countries unless they actually give us assurances that these items will not be shipped on eastward. We can work out language to cover "equivalent" and "identical" items. We would not insist that these other countries put these items on the agreed international list for export controls but we would insist on their giving us proper assurances. On the 1B items which we decide to continue on our 1B list and upon which we have not obtained agreement of the Western European countries, we would then say to them that unless they give us assurances that they will not ship certain quantities of these items, we, in turn, will not furnish the items to them; and
3. That in the meantime, we should break the log jam and use the old criteria which were in effect before Commerce Order No. 381 and get these critical items moving.

Secretary Acheson and Secretary Sawyer were in full agreement that in any event we would continue to stop any highly strategic shipment which we knew was itself going to be transshipped to the Soviet Union or its satellites.

Mr. Foster of ECA emphasized that most of the pending ECA applications were for machinery and basic equipment, some of which were needed in the military rearmament program.

Mr. Sawyer said that he would immediately go back to the Department of Commerce and in consultation with Mr. Blaisdell take action to release the applications which are now being held up and to "break the log jam". He added that he would like the Secretary of State, how-

[2] Regarding the Department of Commerce policy under reference here, see telegram 1498, September 23, to Paris, p. 194, and telegram 1962, October 16, to London, p. 208.

ever, to clear this action with the President for the reason that Mr. Sawyer felt that in holding up these applications, he was carrying out a policy which was approved by the President.

Secretary Acheson said that this would be most helpful and that he, Secretary Sawyer and Mr. Foster would go to the President tomorrow and get approval.[3] Mr. Acheson went on to suggest that at the NSC meeting on Thursday, they point out to the Council that this emergency action has been taken and the log jam broken, and therefore the Council might refer the proposal made by the Department of State to the Senior Staff of the NSC in order that careful study and full coordination could be given to this problem and a statement evolved which would be satisfactory to and understood by all of the members.[4] Secretary Sawyer and Mr. Foster agreed fully with this suggestion.

[Max W. Bishop]

[3] A handwritten marginal notation on the source text at this point, by Barbara Evans, Personal Assistant to the Secretary of State, reads as follows: "In subsequent telephone call it was decided that Sec. Sawyer would telephone President. Sec. Acheson therefore does not have this commitment. BE"

A memorandum of conversation of October 30, not printed, indicates that Foster later telephoned the Secretary of State to report that he had just talked with Sawyer who was going ahead with the issuance of licenses for some $40 million in projects and who promised to review other license applications promptly (S/P–NSC Files, Lot 61 D 167, East-West Trade).

[4] Under reference here is the proposed statement of policy on East-West trade prepared by the Department of State and circulated as NSC 91, October 30, *infra*. NSC 91 was considered by the National Security Council at its meeting on November 2; see the Record of Actions of that meeting, p. 225.

S/S–NSC Files: Lot 63 D 351: NSC 91 Series

Note by the Executive Secretary of the National Security Council (Lay) to the National Security Council[1]

TOP SECRET [Washington,] October 30, 1950.

NSC 91

East-West Trade

The enclosed proposed statement of policy on the subject, transmitted by the Secretary of State, is submitted herewith for consideration by the National Security Council, the Secretary of the Treasury, the Secretary of Commerce, and the Economic Cooperation Administrator, at the next regular Council meeting on Thursday, November 2, 1950.[2] Also enclosed for information is a staff study prepared in the Department of State and upon which the foregoing statement of policy is based.

[1] The source text was circulated to the National Security Council under a cover sheet entitled "A Report to the National Security Council by the Secretary of State on East-West Trade, October 30, 1950."

[2] For the Record of Actions of the Council Meeting of November 2, see p. 225.

In transmitting the enclosures, the Secretary of State stated that, in view of the difficulties which have arisen in connection with the implementation of the action taken by the National Security Council following its review of Export Controls and Security Policy on August 24, 1950 (NSC Action No. 347),[3] he believes it would be helpful if the Council would again consider this problem and clarify its recommendations. He hoped that this could be given urgent attention and considered at the next Council meeting.

It is recommended that, if the enclosed statement of policy is adopted, it be submitted to the President for consideration with the recommendation that he approve it and direct its implementation by all appropriate executive departments and agencies of the U.S. Government in accordance with the procedures contained in paragraph 2 thereof.

JAMES S. LAY, JR.

[Enclosure 1]

Draft Policy Statement Prepared in the Department of State

TOP SECRET WASHINGTON, October 28, 1950.

PROPOSED STATEMENT BY THE NATIONAL SECURITY COUNCIL ON EXPORT CONTROLS AND SECURITY POLICY IN ELABORATION OF NSC ACTION No. 347

1. It is recommended that the following policy be adopted by the NSC:

a. After conclusion of negotiations with the Consultative Group countries on commodities on the United States 1A list and after adequate notice to these countries, non-agreed 1A items which the United States considers sufficiently strategic to justify this action should be denied to those countries unless assurance is obtained that identical items will be totally denied to Soviet Bloc countries.

b. After conclusion of the negotiations on the items in the United States 1B list and after adequate notification to the Consultative Group countries, licenses for non-agreed 1B items which the United States considers to be sufficiently strategic should be similarly denied to those countries unless assurances are obtained that shipments from those countries to Soviet Bloc countries of the identical item will not be increased.

c. When either *a* or *b* above becomes effective, consideration shall be given to similar action with respect to specialized capital equipment for the production of items covered by *a* and *b* above.

d. The concept of "identical" should be understood to mean:

(1) In the case of capital equipment, items which carry out the same operation.

[3] See the Record of Actions of the Council Meeting of August 24, p. 179.

(2) In the case of semi-finished or finished items, items which serve the identical purpose.

e. Procedures should be worked out for applying a comparable policy as soon as practicable to friendly countries not in the Consultative Group.

If items are accepted by the Consultative Group countries for inclusion in International Lists I or II, no assurances of the type referred to in *a* and *b* above will be required from these countries.

2. The following procedures should be followed in implementing this policy:

a. When the Secretary of State determines that negotiations on International List I have been concluded or that action along these lines will not interfere with the successful conclusion of those negotiations:

(1) The Secretary of Commerce shall review United States 1A items that have not been accepted for either International List I or II to determine whether they should remain on the United States 1A list for embargo to Soviet Bloc countries.

(2) Those 1A items which are retained on the United States 1A list shall then be reviewed by the NSC, or a committee appointed by it, to determine whether their exportation from the Consultative Group countries to the Soviet Bloc is of sufficient strategic importance to justify denial of licenses for shipment from the United States to the Consultative Group countries.

(3) In the case of items which are so determined, the United States should notify the Consultative Group countries that licenses will not be issued for such items unless assurances are obtained from the government of the importing country that all shipments of identical items to the Soviet Bloc will be denied and the item in question will not be transshipped.

b. When the Secretary of State determines that negotiations with respect to items in the United States 1B list have been concluded or that the following action would not interfere with the successful conclusion of such negotiations:

(1) The Secretary of Commerce shall review those United States 1B items which have not been accepted for the International Lists I or II to determine whether they should remain on the United States 1B list.

(2) The NSC, or a committee appointed by it, shall review those items which remain on the United States 1B list after that review in order to determine whether their quantitative control by the Consultative Group countries is of sufficient security importance to the United States to justify denial of licenses by the United States to a Consultative Group country.

(3) The United States should notify the Consultative Group countries that licenses will not be issued for such items unless assurances have been given by the government of the supporting country that shipments of identical items to Soviet Bloc countries will not be increased and that the item in question will not be transshipped.

c. Until decisions are made as required by 2–*a* and –*b* above, licensing policies in effect prior to August 24, 1950 will apply. Thus the Department of Commerce should immediately approve license applications now being held under Program Determination No. 381,[4] in accordance with policies and procedures in effect before that date.

d. In the case of non-Consultative Group countries of Western Europe, the basic policy will be implemented as follows:

(1) *Switzerland and Sweden*

The United States should propose to the Consultative Group that the governments of Switzerland and Sweden be informed that the Consultative Group countries will no longer approve licenses for the export of International List I items to these governments unless assurances are received that such items, or their International List I end-products, will not be exported to the Soviet Bloc. When it is determined that a favorable degree of agreement by the Consultative Group countries has been reached on International List II, an approach should be made through the Consultative Group to obtain cooperation from Sweden and Switzerland on this list. When the procedures outlined above in sections 2–*a* and –*b* are made effective they should be applied to Switzerland and Sweden by the United States. In the event that the Consultative Group fails to agree to the action proposed by the United States relating to International List I, the United States should take such action unilaterally.

(2) *Other Countries*

The trade of other Western European countries with the Soviet Union and its satellites will be examined to determine whether any comparable action with respect to United States exports to them may be necessary or desirable.

e. The Secretary of State will transmit to the NSC a report of the tripartite negotiations on export controls upon their conclusion in London, and will also transmit a report of the negotiating situation as a result of the Consultative Group meeting which takes place in Paris on November 15.[5]

[Enclosure 2]

Staff Study Prepared in the Department of State

TOP SECRET [WASHINGTON,] October 28, 1950.

IMPLEMENTATION OF NSC ACTION No. 347

PROBLEM

The problem is to determine a licensing policy for the treatment of exports to Western Europe which will accomplish the intent of

[4] See telegram 1498, September 23, to Paris, p. 194, and telegram 1962, October 16, to London, p. 208.

[5] A report prepared by the Department of State on January 8, 1951, on recent progress in export control negotiations was circulated to the National Security Council on January 29, 1951. (S/S–NSC Files, Lot 63 D 351, NSC 104 Series)

paragraph (*c*) of NSC Action 347 without conflicting with the negotiation of an agreement on parallel action with friendly governments as required by paragraph (*a*) of NSC Action 347.

DISCUSSION

NSC Action 347 was issued on August 24 as a result of the NSC review of Export Controls and Security Policy (NSC 69 [6] and 69/1 [7]).

NSC Action (*a*) states that negotiations should be continued with Western European countries for an agreement on export control policy. NSC Action (*c*) states that exports from the United States of strategic items to a Western European country should be denied when that country ships identical items or equivalent amounts thereof to Eastern Europe. It is not clear from the NSC statement of Action (*c*) what should be included in the concept of "strategic items" or what constitutes the shipment of an "identical item" or an "equivalent amount thereof".

The evident intent of Action (*c*) was to prevent shipments from the United States to Western European countries which would have the result of permitting the export to the Soviet Bloc of strategic items which would not otherwise take place. This is a legitimate use of our licensing procedure, and involves simply action to assure ourselves against transshipment or the equivalent of transshipment. However, to attempt to influence by such action the policies of friendly countries, where shipment by them is unrelated to their imports from the United States, would be unjustified coercion. It would also represent an interpretation of paragraph (*c*) which would be inconsistent with paragraph (*a*). The intent of Action (*a*) was to continue the voluntary negotiation of agreements on security export controls with the Western European countries, particularly with the countries of the Consultative Group. It is essential to avoid injecting an element of coercion into these negotiations.

The effort by negotiation to bring about substantial parallel action by Western European countries has been carried to ministerial levels. It was discussed in the recent Foreign Ministers' meeting in New York.[8] It was then decided to continue discussions among the United States, United Kingdom and France, in London. Those discussions are now in progress. The agreement reached there will be submitted to the other Consultative Group countries in Paris.

These negotiations would be affected by any action taken in implementation of paragraph (*c*). The American negotiators have already expressed serious concern at the probable effect upon these talks of

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[6] See the letter of April 25 from the Secretary of Commerce to the Executive Secretary of the National Security Council, p. 83.

[7] August 21, p. 163.

[8] For a report on the meeting under reference, see Jessup's memorandum of October 11 to Lay, p. 202.

the action under paragraph (*c*) contemplated by the Department of Commerce and contained in Advisory Committee on Export Policy Program Determination No. 381 of September 18. This Program Determination provides for the denial of 1A exports to Western European countries unless assurances are received within certain time limits to the effect that the countries in question are not exporting the same items to the Soviet Bloc either in transit trade or from local production. (It is understood that a Program Determination to cover 1B items is planned.) These assurances would be required not only with respect to 1A items rejected by the Consultative Group but also with respect to items still under negotiation and even those that have already been accepted for quantitative controls, as opposed to embargo.

In view of the effect which the enforcement of this policy would have upon the negotiations in London and Paris the Commerce Department has agreed to postpone action under Program Determination No. 381 until the policy could be reviewed. In the meantime, it has agreed to issue export licenses for essential articles where postponement of licensing would cause difficulty in the present negotiations with the British and French. Most licenses for Western Europe are, however, being held without action by the Department of Commerce.

It is the belief of the State Department that the intention of the NSC was to obtain the adoption by Western Europe of adequate security controls with a minimum impairment of other defense objectives. A policy of coercion in the negotiation of an agreement on security export controls with Western European countries would not serve our interests for the following reasons:

1. An effective program of multilateral export controls depends upon voluntary agreement by the cooperating countries. We cannot expect that an agreement imposed by coercion would be enforced by those countries with the same vigor as one adopted voluntarily, particularly in such matters as transit trade control, which depends upon an effective degree of voluntary cooperation from other countries.

2. An agreement imposed by coercion would not enlist the Consultative Group countries in supporting the United States in an effective approach to such non-cooperating countries as Sweden and Switzerland. The denial of export licenses in order to influence the negotiations could affect the willingness of NATO countries to give us their wholehearted cooperation in the many other fields of action essential to the development of Western defense.

3. A program based primarily on unilateral denials of exports from the United States would be [*by*] itself not necessarily result in any diminution of strategic exports from Western Europe. It would be limited in its effectiveness to those strategic commodities which the countries in question happen to be purchasing from the United States. It would not of itself prevent shipment to the Soviet Bloc of strategic items of indigenous manufacture in Western Europe.

The State Department's proposals for meeting these problems are outlined below under the heading of "Recommendation".

The purposes of these policy proposals can be summarized as follows:

(*a*) To permit conclusion of the best possible voluntary agreement with Western European countries.

(*b*) When such an agreement has been obtained, to use United States licensing to friendly countries to assure that no shipment by the United States will result in greater availability to the Soviet Bloc of a strategic item.

The application of the policy in the case of a 1A item and capital equipment capable of producing such an item would call for complete embargo of such a 1A item by the friendly country. It may be questioned why a less rigid rule is applied in the case of United States 1B items, since the United States in practice is itself embargoing almost all shipments of such items to the Soviet Bloc. There are several reasons why a distinction must be made.

(*a*) These items were adopted for our 1B list with the understanding that moderate shipments to the Soviet Bloc would not add substantially to Soviet war potential.

(*b*) Most of these items have been proposed by the United States for International List II, which calls for quantitative controls, and agreement on their status has been reached in some cases.

(*c*) The inclusion of an item in this list was without regard to the need that might exist for some shipments to the East, in the interest of the economic strength of Western Europe.

It should also be borne in mind that the policy proposed is to be more or less automatically applied. There will be cases where a shipment by the United States of a 1B item might have the effect of permitting a Western European country to *maintain* shipments of a similar item to the Soviet Bloc. In this case, the provision that Western European shipments must not be increased, is clearly inadequate. However, every effort will be made in the negotiations to achieve a reduction in shipments of 1B items. Furthermore, it would be within the power of the NSC Committee, proposed in the following recommendation, to lay down more rigid requirements for individual items, where this appears desirable.

RECOMMENDATION

[Here follows the text of the draft policy statement prepared in the Department of State, printed above.]

S/S–NSC Files : Lot 63 D 351 : NSC 69 Series

The Secretary of Defense (Marshall) to the Executive Secretary of the National Security Council (Lay)[1]

TOP SECRET WASHINGTON, 1 November 1950.

Subject: East-West Trade

Reference: NSC Action #347–*b*.[2]

The attached statement on East-West Trade was presented by me to the Defense Committee of the North Atlantic Treaty on Tuesday, October 31.[3]

This statement was prepared and presented to the Defense Committee in conformity with NSC Action #347–*b*, in which the Council agreed that efforts should also be made through the NATO Defense and Military Committees to reach agreement on a military viewpoint regarding export controls, as a means of influencing Western European nations to adopt policies similar to U.S. policies.

Presentation of this statement elicited only two comments. The Defense Minister[4] of the United Kingdom indicated that his Government was seeking to adopt measures to assure that no vital materiel would get into the hands of an aggressor. The French Minister of Defense,[5] while expressing sympathy for the views set forth, indicated his skepticism as to its practical applications. The Defense Committee noted the United States statement.

It is requested that this information and the attached statement be circulated to the members of the National Security Council for their information.

G. C. MARSHALL

[Enclosure]

Statement by the Secretary of Defense (Marshall) to the Defense Committee of the North Atlantic Treaty Organization

TOP SECRET [WASHINGTON, October 31, 1950.]

EAST-WEST TRADE

1. My Government, as you know, has been most concerned with the problem of controlling exports to the Soviet Bloc. I want to ask

[1] The source text was circulated to the National Security Council by Executive Secretary Lay under cover of a brief explanatory memorandum of November 1, not printed. The memorandum printed here was considered by the Council at its meeting on November 2; see the Record of Actions, *infra*.

[2] See the Record of Actions of the Council Meeting of August 24, p. 179.

[3] The Defense Committee (Ministers of Defense) of the North Atlantic Treaty Organization met in Washington, October 28–31, 1950. Documentation on these meetings is printed in vol. III, pp. 1 ff.

[4] Emanuel Shinwell.

[5] Jules Moch.

your most earnest consideration of the military and security aspects of this problem.

2. Most of our respective governments have agreed to the principle of multilateral export controls of strategic commodities to areas under Soviet control. Progress has been made in recent months by means of multilateral negotiations toward mutual agreement as to these controls; progress has been particularly encouraging in the area of machine tools. Nevertheless, agreement to date has been confined principally to the embargo of items of direct military importance to the Soviet war potential. There is, however, in my opinion a significant lack of agreement as to the strategic character of many other items which substantially contribute to the war potential of the Soviet Bloc. I recognize the basis for the present lack of agreement. A basis founded on legitimately differing viewpoints as to the relative importance of military and economic factors in contributing to our mutual and paramount security objectives.

3. Lack of progress among our countries in agreeing to deny specific exports of strategic items to the Soviet Bloc has been of great concern to the people and to the Congress of the U.S. in recent months. I might add that, in addition to their strategic significance, many of these commodities are rapidly coming into short supply, and I believe it important that the essential supply requirements of the Western World be adequately protected.

4. The situation which confronts us, therefore, is increasingly untenable. While agreement has been reached to embargo certain items of the very highest and most obvious strategic significance, some of our countries are at the same time assisting the Soviet Bloc in the further development of war potential through the lack of agreement respecting export controls. While we strengthen our own military position through a collective rearmament effort entailing sacrifice on the part of each of our countries, we are continuing to facilitate an increase in the military strength of the Soviet Bloc by not agreeing to the control of such strategic items as zinc, nickel, certain types of ball and roller bearings, precision instruments, and so forth.

5. Some member nations have trade agreements with the Soviet Bloc nations which commit them to export to the East certain highly strategic items. The export of these items directly increases the ability of the Soviet Bloc to wage war. As it is our common purpose to increase the military strength of our countries relative to that of the Soviet Bloc, I want to ask that you and your governments carefully consider the need to formulate a military viewpoint governing the export of items to the Soviet Bloc, bearing in mind the military and strategic considerations which must be paramount.

6. While I am not at this time suggesting that specific action be taken, I firmly believe that such a common view could be achieved

within the North Atlantic Treaty Organization, and that we should all make clear to our respective Governments the important military aspects of this question in terms of our common security.

S/S–NSC (Miscellaneous) Files : Lot 66 D 95 : NSC Records of Action

Record of Actions by the National Security Council at its 70th Meeting, November 2, 1950

[Extract]

TOP SECRET [WASHINGTON, November 2, 1950.]

Note: The President presided at this Council meeting, and the Economic Cooperation Administrator participated with the Council and the Secretary of the Treasury [1] in NSC Actions Nos. 370, 371, and 372.[2] The Vice President [3] and the Secretary of Commerce (who was invited to participate for NSC Actions Nos. 370, 371, and 372) were unable to attend because of their absence from the city.

Action Number 370

Subject: East-West Trade
(NSC 91; [4] NSC Action No. 347 [5])

a. Referred NSC 91 to the NSC Staff, including members from the Department of Commerce and the Economic Cooperation Administration, to prepare an agreed draft report on the subject for consideration at an early Council meeting.[6]

b. Agreed that the Secretary of State, the Secretary of Commerce, and the Economic Cooperation Administrator should work out urgent arrangements for temporary relief from the provisions of NSC Action No. 347–*c* and submit them to the President for approval, pending final action on the report to be prepared pursuant to *a* above.[7]

Note: The action in *b* above referred to the Secretary of State, the Secretary of Commerce, and the Economic Cooperation Administrator for appropriate action.

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[1] John W. Snyder.

[2] NSC Action 372 was concerned with United States policy toward the conflict between the Soviet Union and Yugoslavia; for documentation on this subject, see pp. 1338 ff.

[3] Alben W. Barkley.

[4] October 30, p. 216.

[5] See the Record of Actions of the Council Meeting of August 24, p. 179.

[6] In a memorandum of November 7, not printed, Executive Secretary Lay explained that at a meeting of the Senior National Security Council Staff on November 3, it was agreed to constitute a special committee of officials of Assistant Secretary rank to produce the draft report called for here. Assistant Secretary of State for Economic Affairs Willard L. Thorp represented the Department of State. The committee also included representatives from the Department of Defense, the National Security Resources Board, the Department of the Treasury, the Department of Commerce, the Economic Cooperation Administration, the Joint Chiefs of Staff, and the Central Intelligence Agency (S/P–NSC Files, Lot 61 D 167, East-West Trade). For the agreed draft report prepared by the special committee, see NSC 91/1, November 17, p. 227.

[7] For the interim procedure called for here, see NSC 91/1, *ibid.*

Action Number 371

Subject: Export Controls and Security Policy

(Progress Report, dated October 11, 1950, by the Department of State [8] on NSC Action No. 347-*a*; Memo for NSC from Executive Secretary, subject: "East-West Trade", dated November 1, 1950 [9])

a. Noted the reference Progress Report by the Department of State on NSC Action No. 347-*a*.

b. Noted the memorandum and enclosed statement by the Secretary of Defense regarding NSC Action No. 347-*b*, circulated by the reference memorandum of November 1, 1950.

. . . . . .

[8] See the memorandum by Jessup for Lay, October 11, p. 202.

[9] The memorandum under reference here is not printed, but see the memorandum of November 1 from Marshall to Lay, *supra*.

Under Secretary's Meetings : Lot 53 D 250 : Minutes [1]

Record of the Under Secretary's Meeting, November 15, 1950 [2]

[Extract]

SECRET [WASHINGTON, undated.]

UM M-269

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EAST-WEST TRADE

3. Mr. O'Gara reviewed the current work on the East-West trade problem. He pointed out that Commerce has agreed to an interim position with respect to what items may be shipped to Western Europe and the Soviet bloc. At the present time the State Department is working with Commerce and ECA on this problem and we hope to complete our discussions soon for a report to the NSC.[3] He emphasized that it was important that Commerce action should not interfere with negotiations that are now taking place with the British and French on I-A and I-B items. The Secretary reported that Mr. Sawyer had talked to him yesterday and had agreed with the State Department proposals with the exception of the one involving an additional committee to review these items. Mr. Sawyer felt that we had an interdepartmental group, the Advisory Committee on Requirements, to

[1] Lot 53 D 250 is a master file of records of meetings, documents, summaries, and agenda of the Under Secretary's Meetings for the years 1949-1952, as maintained by the Executive Secretariat of the Department of State.

[2] The principal officers of the Department of State (or their alternates) met frequently, generally several times a week and usually under the chairmanship of the Under Secretary of State, in an "Under Secretary's Meeting" to discuss major current problems. The meeting recorded here was attended by Secretary of State Acheson. The authorship of the record is not indicated.

[3] For the agreed interim procedure under reference here, see NSC 91/1, November 17, *infra*.

handle this work.[4] The Secretary questioned whether the setting up of an additional interdepartmental committee was necessary. Mr. O'Gara stated that this was the main problem which State was now negotiating with Commerce. He felt that an additional committee was required since Commerce rigidly controls the Advisory Committee on Requirements.

4. Mr. McFall[5] pointed out that Congress will be very interested in our progress on this problem and we should be prepared to give the Congress a complete report. The Secretary was disappointed in the fact that the negotiations in Europe had been delayed. He questioned whether we could do anything to move the negotiations along and Mr. O'Gara promised to investigate.

. . . . . .

[4] No other record has been found of the conversation under reference.
[5] Assistant Secretary of State for Congressional Relations Jack K. McFall.

S/S-NSC Files : Lot 63 D 351 : NSC 91 Series

Note by the Executive Secretary of the National Security Council (Lay) to the National Security Council[1]

SECRET [WASHINGTON,] November 17, 1950.

NSC 91/1

EAST-WEST TRADE

References: A. NSC 91[2]
B. NSC Actions Nos. 370[3] and 347[4]
C. NSC 69 Series[5]

The enclosed draft statement of policy on the subject, prepared pursuant to NSC Action No. 370-*a* by the Special Committee on East-West Trade,[6] is submitted herewith for consideration by the National

[1] This note was circulated under a cover sheet entitled "A Report to the National Security Council by the Executive Secretary on East-West Trade, November 17, 1950". At its 72d Meeting, November 22, at which President Truman presided and in which Under Secretary of Commerce Blaisdell, the Acting Economic Cooperation Administrator, and Secretary of the Treasury Snyder participated, the National Security Council, in NSC Action 387*b*, adopted the statement of policy and the interim procedure included here as enclosures 1 and 2. According to a memorandum of November 24, by Council Executive Secretary Lay, not printed, President Truman that day approved the statement of policy and interim procedure presented here and directed their implementation by all appropriate departments and agencies of the Government, in accordance with the procedures outlined therein.
[2] October 30, p. 216.
[3] See the Record of Actions of the Council Meeting of November 2, p. 225.
[4] See the Record of Actions of the Council Meeting of August 24, p. 179.
[5] See NSC 69/1, August 21, p. 163.
[6] Regarding the establishment of the Special Committee on East-West Trade, see footnote 6, p. 225.

Security Council, the Secretary of the Treasury, the Secretary of Commerce and the Economic Cooperation Administrator.

Attention is invited to the attached "Interim Procedure Under Program Determination 381",[7] which is also enclosed for consideration as a response to NSC Action No. 370-*b*, on the recommendation of the Departments of State and Commerce and the Economic Cooperation Administration in conjunction with the Special Committee.

It is recommended that, if the enclosed statement of policy and attached Interim Procedure are adopted, they be submitted to the President for consideration with the recommendation that he approve them and direct their implementation by all appropriate departments and agencies of the U.S. Government in accordance with the procedures outlined therein.

JAMES S. LAY, JR.

[Enclosure 1]

Draft Statement of Policy by the National Security Council, Prepared by the Special Committee on East-West Trade

SECRET [WASHINGTON,] November 16, 1950.

EAST-WEST TRADE

1. It is recommended that the following policy be approved to become effective at the conclusion of the current negotiations with the Consultative Group countries, but not later than January 8, 1951.

a. After adequate notice to the Consultative Group countries, any non-agreed 1A items which the United States considers sufficiently strategic to justify continued embargo to the Soviet Bloc should be denied to those countries unless assurance is obtained that identical items (items falling within the particular 1A listing) will be totally denied to Soviet Bloc countries.

b. After adequate notice to the Consultative Group countries, any non-agreed 1B items which the United States considers to be sufficiently strategic to justify continued limitative controls should be denied to those countries unless assurances are obtained that shipments from those countries to Soviet Bloc countries of the identical items (items falling within the particular 1B listing) will be reduced to a level mutually agreed upon between the United States and the country involved either through bilateral discussions or through the Consultative Group.

c. When either *a* or *b* above becomes effective, similar action shall be taken with respect to specialized capital equipment and raw and semi-finished materials, which will be used for the production of items covered by *a* and *b* above. However, specific procedures should be

[7] Regarding the Program Determination under reference here, see telegram 1498, September 23, to Paris, p. 194, and telegram 1962, October 16, to London, p. 208.

developed through the administrative organization of the Department of Commerce Advisory Committee on Export Policy, to permit a selective review, on an interagency basis, of particular cases, or groups of cases, arising under this paragraph. The provisions of this paragraph shall apply only to capital equipment and materials on the U.S. Lists 1, 1A and 1B.

d. (1) The concept of "identical" shall be understood to mean "items falling within a particular U.S. 1 or 1A listing", and "items falling within a particular U.S. 1B listing".

(2) "Soviet Bloc" shall be understood to include the USSR (inclusive of Latvia, Esthonia and Lithuania), Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, the Soviet Zone of Germany, and that part of China and North Korea under Communist control.

e. A comparable policy shall be applied to Western European countries not in the Consultative Group for all items on the U.S. List 1 and 1A and List 1B. Appropriate assurances should be obtained, when necessary, through bilateral discussions, and where appropriate, in concert with other Consultative Group countries.

f. No assurances of the type referred to in *a* and *b* above shall be required from the Consultative Group countries with respect to any 1A items accepted for inclusion on International List 1, or any 1B item accepted for International List I or II.

g. Shipments of strategic commodities to any Western European country should be denied where there is evidence indicating that such shipments may be transshipped, directly or indirectly, to the Soviet Bloc. A careful review of the transit trade policies of Western European countries should be made with a view toward limiting U.S. shipments of strategic goods to any country whose controls over transit trade appear inadequate to prevent unauthorized transshipment.

h. The U.S. agencies responsible for establishing and screening programs under MDAP should conform to the general policy set forth above.

j[i]. Existing policies on U.S. exports to Finland and Yugoslavia are not included within the scope of this document.

2. The following procedures should be followed in implementing this policy.

a. As soon as practicable after the effective date of this policy:

(1) The Secretary of Commerce, through the Advisory Committee on Export Policy, shall review United States 1A items that have not been accepted for International List I to determine whether they should remain on the United States 1A List for embargo to Soviet Bloc countries, and to determine whether their exportation from the Consultative Group countries to the Soviet Bloc is of sufficient strategic importance to justify denial of licenses for shipment from the United States to the Consultative Group countries.

(2) In the case of items which are so determined, the United States should notify the Consultative Group countries that licenses will not be issued for such items unless assurances are obtained

from the government of the importing country that all shipments of identical items to the Soviet Bloc will be denied and the item in question will not be transshipped.

b. As soon as practicable after the effective date of this policy:

(1) The Secretary of Commerce, through the Advisory Committee on Export Policy, shall review those United States 1B items which have not been accepted for the International Lists I or II to determine whether they should remain on the United States 1B List, and to determine whether their quantitative control by the Consultative Group countries is of sufficient security importance to the United States to justify denial of licenses by the United States to a Consultative Group country.

(2) The United States should notify the Consultative Group countries that licenses will not be issued for such items unless assurances have been given by the government of the importing country that shipments of identical items to Soviet Bloc countries will not be transshipped and will be reduced to a level mutually agreed upon between the United States and the country involved either through bilateral discussions or through the Consultative Group.

c. If the head of any department or agency participating in the Advisory Committee on Export Policy disagrees with a determination or proposed determination by the Secretary of Commerce within the scope of this policy, the Secretary of Commerce will submit the matter, together with a statement of divergent views, to the National Security Council.

d. Until decisions are made as required by 2–*a* and –*b* above licensing policies shall follow the attached "Interim Procedure under P.D. 381".

e. In the case of non-Consultative Group countries of Western Europe, the basic policy will be implemented as follows:

(1) *Switzerland and Sweden.*

(*a*) The United States should inform the governments of Switzerland and Sweden that the U.S. will no longer approve licenses for the export of U.S. List 1 and 1A items to those governments unless assurances are received that such items, and strategic end products of such items, will not be exported from those countries to the Soviet Bloc.

(*b*) When the policy set forth in paragraph 1–*b* is instituted, the United States should inform the Governments of Switzerland and Sweden that the U.S. will no longer approve licenses for the export of U.S. List 1B items, and strategic end products thereof, to those governments unless assurances are received that exports of such items to the Soviet Bloc will be reduced to a level mutually agreed upon between the United States and the country involved either through bilateral discussions or through the Consultative Group.

(*c*) The United States should seek to have the other Consultative Group countries adopt similar policies regarding exports to Sweden and Switzerland, and to approach Sweden and Switzerland either directly or through the Consultative Group machinery. However, the institution by the U.S. of the procedures set forth

in (*a*) and (*b*) above should not be dependent upon actions taken by the other governments.

(2) *Austria.*

The policy set forth in paragraph 1–*e* should be generally applicable to Austria. However, for the time being, the recommendations of the Vienna Screening Committee should be considered as appropriate assurances. The Vienna Screening Committee should be informed of this policy.

(3) *Other Countries.*

The trade of other European countries (including Spain, Portugal, Trieste, Greece and Turkey) with the Soviet Bloc should be examined to determine whether comparable action with respect to U.S. exports to them is necessary.

f. The Secretary of State will transmit to the NSC a report of the current tripartite negotiations on export controls upon their conclusion in London, and will also transmit a report of the negotiating situation as a result of the Consultative Group meeting which takes place in Paris on November 29.[8]

[Enclosure 2]

Paper Prepared by the Department of State, the Department of Commerce, and the Economic Cooperation Administration

SECRET [WASHINGTON, undated.]

INTERIM PROCEDURE UNDER PROGRAM DETERMINATION 381

As an interim measure, instead of requiring assurances by various Western European governments that they are not shipping, or transshipping the kind of 1A commodities they are receiving from the U.S., cases may be approved by OIT unless there is reasonable indication that the country of destination is shipping, or is likely to ship, such goods to the Soviet Bloc.

After reviewing each case to determine that the particular shipment involved is not likely to be transshipped to the Soviet Bloc, the following procedure should be followed by OIT:

1. U.S. LIST 1 AND 1A COMMODITIES IN GENERAL

(*a*) Applications may be approved unless there is reasonable indication that the country of destination is shipping items within the particular U.S. 1 or 1A listing to the Soviet Bloc; and if it is either

[8] A report prepared by the Department of State on January 8, 1951, on recent progress in export control negotiations was circulated to the National Security Council on January 29, 1951. (S/S–NSC Files, Lot 63 D 351, NSC 104 Series) Regarding the Consultative Group meeting of November 29, see telegram 3069, November 30, from Paris, p. 246.

consuming imports received from the United States within its own boundaries or shipping only to friendly destinations.

(*b*) If there is reasonable indication that the country of destination is shipping items within the particular U.S. 1 or 1A listing to the Soviet Bloc, the application should be held and the country of destination requested to clarify its status or furnish appropriate assurances. OIT will consult State and ECA where such assurances seem required.

2. CAPITAL EQUIPMENT

(*a*) Applications may be approved for equipment under the MDAP or if there is evidence that the equipment is for the production of military end items which would directly benefit Western European defense.

(*b*) Applications may be approved for equipment producing U.S. List 1 or 1A items, where those items are clearly intended to remain in friendly territory.

(*c*) Applications should be held for appropriate assurances, where the capital equipment involved will be used to produce U.S. List 1 or 1A items for which there is reasonable indication that the country of destination is shipping such items to the Soviet Bloc. OIT will consult State and ECA where such assurances seem required.

3. PROJECTS

Applications for projects in Western Europe which have been programmed by ECA may be approved unless there is reasonable indication that the project will increase the production of U.S. List 1 or 1A items which are being exported to the Soviet Bloc by the country of destination.

In addition to the general procedures set forth above, the following specific procedures have been instituted by the Department of Commerce and should be followed by OIT:

(*a*) In the case of Austria, the recommendations of the Vienna Screening Committee for approval of pending cases shall be considered as appropriate assurances under P.D. 381.

(*See* Notice of Action No. 77, dated October 25, 1950 [9])

(*b*) OIT has been authorized to approve applications involving components and parts where the value does not exceed $1,000, etc. (*See* Notice of Action No. 77.1, dated October 28, 1950 [9])

(*c*) In cases where there is reasonable indication that the country of destination is shipping or is likely to ship or is transshipping the kind of 1A commodities they are receiving from the U.S., the OIT has been authorized to approve such cases when the Washington embassy of a Western European country informs OIT in writing that the country is not shipping the commodity to the Soviet Bloc.

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[9] Not printed.

(*d*) OIT has been authorized to approve certain hardship cases for which a U.S. exporter can take the responsibility for adhering to our export control policy.

Editorial Note

In November 1949, Economic Commission for Europe Executive Secretary Gunnar Myrdal suggested to interested member governments various measures for expanding East-West trade in grain. By May 1950, favorable responses had been received from all the interested member governments including the United States. For the text of Myrdal's *aide-mémoire* of November 2, 1949 and the replies from ECE members, see Appendix IV to the Report to the Fifth Session of the Economic Commission for Europe, by the Executive Secretary, U.N. doc. E/ECE/114. Rev. 1, April 12 and May 27, 1950. The suggestion was discussed further during the Fifth Session of the ECE in May–June 1950 (see telegram 709, June 9, from Geneva, page 143). Following a long series of negotiations between the ECE Secretariat and interested governments, an *Ad Hoc* Meeting on Grain was held in Geneva, November 14–20, 1950, under the auspices of the Economic Commission for Europe. Seventeen countries, including the United States, participated in the meeting, and four other countries sent observers. During the meetings there was an exchange of information regarding the grain requirements of Western European countries and the grain availabilities of Eastern European countries. Following the meeting, bilateral discussions continued between the Soviet Union and several Western European countries. A report on the *Ad Hoc* Meeting on Grain, prepared by the ECE Secretariat, was circulated as U.N. doc. E/ECE/GRAIN/3, December 4, 1950. A brief review of the antecedents, transactions, and results of the meeting was included in the Annual Report of the Economic Commission for Europe, June 16, 1950–June 13, 1951, U.N. doc. E/2002 (E/ECE/130), June 13, 1951.

The attitude of the United States Government toward the *Ad Hoc* Meeting on Grain was summarized in a circular airgram of October 24, 5:05 p. m., to certain diplomatic and consular offices in Europe as follows:

"As indicated previously, US genuinely favors intra-European grain trade, provided strategic WE exports not condition for trade, and agreements do not violate international obligations particularly ITO principles and International Wheat Agreement commitments. US, however, is not promoting mtg since appears even most successful outcome not likely increase WE grain supplies beyond bilateral possibilities and may afford EE countries propaganda forum." (340.240/10–2450)

460.509/12-450

Agreed Report on the London Tripartite Conversations on Security Export Control, October 17–November 20, 1950 [1]

SECRET [London, November 20, 1950.]

TRI/31 (Final)

London Tripartite Talks Agreed Report to Ministers

A. INTRODUCTORY

Nature of Report

This report represents the agreed result of consideration by officials of France, the United States, and the United Kingdom of the action to be taken to give effect to the minute agreed by the Foreign Ministers of the three countries in New York on September 19th, 1950 (copy attached at Annex A.[2]).

Method of Work

2. As a matter of convenience it was decided to divide the work into three stages: *Stage I* to consist of preparatory talks by officials; *Stage II* to consist of the drawing up by experts of lists of items for control; officials to meet again in *Stage III* to consider the lists, and prepare a tripartite report for submission to Ministers. A list of the delegates in each stage is attached (Annex B [3]).

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[1] Copies of this Agreed Report were flown from London to Washington on the night of November 20. The source text, which was initialed by the heads of the three delegations, was transmitted to the Department of State as an enclosure to despatch 1424, December 4, from Paris, not printed. In that despatch, Charles E. Bohlen, the Minister in France and the Chairman of the United States Delegation to the London Tripartite Conversations, observed that the principal result of the conversations was the reconciliation of the views of the United Kingdom and France and those of the United States on specific international export controls concerning the Soviet bloc. More progress was made at the London conversations on increasing the number of commodities under international export control to the Soviet bloc by the United Kingdom and France than had been accomplished in the 2 years the matter had been under discussion by the United States with Western European governments. Also, for the first time in more than a year that quantitative controls had been under discussion, a form of tripartite international agreement had been reached.

The voluminous telegraphic exchange between the United States Delegation to the Tripartite Conversations and the Department of State, together with the formal documents circulated during the conversations and transmitted to the Department as enclosures to despatches from the Embassy in London, are included in file 460.509.

[2] Annex A is not printed here. For the text of the Agreed Minute of the United States, British, and French Foreign Ministers, New York, September 19, see p. 187.

[3] Annex B is not printed. Charles E. Bohlen served as Chairman of the United States Delegation at Stages I and III of the Tripartite Conversations. Nat B. King served as Vice Chairman of the United States Delegation at Stages I and III and headed the Delegation at Stage II. The Delegation included 19 other officials from the Department of State, the Department of Commerce, the Embassy in London, the Embassy in Paris, the Office of the Special Representative in Europe for the Economic Cooperation Administration, the Munitions Board

3. In Stage I (October 17th–20th) efforts were concentrated on preparing, in the light of the Ministerial Minute, a directive for the guidance of experts in Stage II. The operative section of this directive is attached at Annex C.[4] This document is basic to the entire operation covered by this report. It brings out the special points to which the experts were to direct their attention in drawing up the lists for security control; it indicates the criteria to be followed in determining whether items should be subject to embargo, quantitative control, or exchange of information; and it specifies the sectors of industry from which such items should be drawn. Preliminary consideration was also given in Stage I to a number of other points arising out of the Ministerial Minute. These included the question of defence needs (paragraph 4(*a*) of the Ministerial Minute); the implication of quantitative control (paragraph 4(*b*)); and exchange of information (paragraph 4(*c*)); the method of assessing the economic impact of the proposed new controls as a whole; and the interpretation of paragraph 5, which relates to the tripartite implementation of these controls.[5]

4. Experts assembled for Stage II on October 30th and were grouped into a number of technical sub-committees, which proceeded to examine, in the light of the directive, the items proposed by the three countries for control in the various sectors agreed. In addition, a committee of military and intelligence advisers was set up, which worked in close contact with the technical sub-committees, advising on items of which the strategic importance was the subject of disagreement in the latter.

5. The results of the work done by experts in Stage II were considered by officials in Stage III (15th—20th November), when the lists of items for security control were finalised and agreement was reached on all points arising out of the Ministerial Minute. The main conclusions reached by officials in Stage III are set out in Section B below.

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of the Department of Defense, the Economic Cooperation Administration Mission in London, and the Military Aid Mission in London. The British Delegation, which was headed by Eric A. Berthoud, Assistant Under Secretary in the British Foreign Office, included officials from the Foreign Office, the Treasury, the Ministry of Defence, the Board of Trade, the Ministry of Supply, the Admiralty, and the United Kingdom Delegation to the Organization for European Economic Co-operation. The small French Delegation, headed by Etienne de Crouy-Chanel, French Minister-Counselor in London, for Stage I, and by François de Tricornot de Rose, Deputy Director for Economic Affairs of the French Foreign Ministry, for Stage III, included officials from the Ministry of Foreign Affairs, the Ministry of National Defense, and the Ministry of Industry and Commerce.

[4] Annex C is not printed. The complete text of the Agreed Directive to the Experts had previously been circulated at the Tripartite Conversations as document TRI/5, October 20, not printed.

[5] For a report on Stage I of the Tripartite Conversations, see telegram 2294, October 20, from London, p. 212.

B. CONCLUSIONS OF OFFICIALS

Action required by paragraph 4 of the Ministerial Minute.

6. (i) *Defence Needs*

Under paragraph 4(*a*) of the Ministerial Minute, the officials of the three Governments were required also to draw up lists of goods "the export of which to the Soviet bloc should be prevented because they are urgently required for the defence needs of Western Europe."

The officials agreed that this criterion was of a different character from those governing the lists prepared of goods to be controlled or denied to the Soviet bloc on strategic grounds, although of course in many cases the goods required by Western Europe for defence needs might be of the same character as those to be controlled on strategic grounds.

It was also agreed that the three Governments could not in isolation prepare any comprehensive list of anticipated defence needs, and that this could only be done by the N.A.T.O. Powers in the light of their work on the Medium Term Plan. It is therefore recommended that the task of drawing up the list required to give effect to paragraph 4(*a*) of the Ministerial Minute should be remitted as a matter of urgency to the Council Deputies of N.A.T.O. in order that the latter may review the position and recommend by what body this task can best be performed.

It is recommended that the deputies of the three Foreign Ministers be invited to concert together with a view to the necessary action being taken.

An account of the action already taken by the three Governments in this field is contained in Annex D.[6]

(ii) *Security Controls*

Out of a total of 318 items discussed, 74 were withdrawn by the proposing governments. All the remaining items were accepted for various forms of control according to the criteria set out in Annex C. 102 items were agreed for embargo, 73 for quantitative control, and 69 for exchange of information. A list of items agreed is at Annex E;[6] of items withdrawn at Annex F.[6] It will be seen that the majority of the items agreed for control fall within the sectors of Metal Working Machinery, Chemicals, Chemical and Petroleum Equipment, and Precision Instruments.

Special mention should be made here of two items, tin and rubber, which, though included in the exchange of information category, are to be treated on a somewhat different basis. These two items present a special problem. Officials were agreed as to the strategic advantages of preventing excessive supplies from reaching the Soviet bloc. There are, however, substantial practical difficulties in the way of effective

[6] Not printed.

control of these commodities. Both are sold on open markets and are widely traded by merchants in all parts of the world. They are produced in significant quantities in areas outside the jurisdiction of the Governments now cooperating in the administration of security export controls. The technique for limiting supplies would therefore need careful consideration. Moreover, the restriction of supplies would raise serious economic issues for certain of the participating countries which would require full study. Notwithstanding the above considerations, officials agreed that the three countries should exchange available statistics regarding the export of these items.

(iii) *Economic Consequences*

Paragraph 4 of the Ministerial Minute concludes with the instruction that, in recommending additional measures of control, officials should take account of their impact on the economy of Western Europe, particularly of any loss of essential supplies and of the means by which such loss could be made good.

It is impossible to measure with accuracy the effects of the proposals described in para. 6 (ii) ranging as they do from embargo to an exchange of information. Moreover, changes in export control inevitably affect the export of a wider range of goods than those directly controlled. The most important factors involved appear to be:

(i) the possible reduction in supplies from the Soviet bloc;
(ii) the increased difficulty of securing settlement of outstanding financial claims;
(iii) the loss of export markets and possible unemployment;
(iv) the general effect on the international trading position of Western Europe.

United Kingdom

Although the United Kingdom has large outstanding financial claims not yet settled, and although the Soviet bloc has been a market of some importance for certain engineering industries, particularly the machine tool industry, its main concern in trading with the Soviet bloc is the procurement of a small number of essential supplies. A detailed analysis of United Kingdom trade with the Soviet is attached as Annex G.[7] Some decline in direct United Kingdom exports was in any case likely as a result of measures previously taken, and the controls proposed must lead to a further reduction. The order of magnitude of the direct loss in exports resulting from recent decisions about machine tools and from the additions to the security export control list now proposed as £3.5 m. The total reduction, taking account of the wider repercussions, is likely substantially to exceed this figure. Unless the Soviet bloc has to export more to the United Kingdom to cover its purchases in the rest of the sterling area, a reduction in Soviet exports of roughly equivalent amount is virtually

[7] Not printed.

certain. Particularly in the case of Poland and Russia there is reason to believe that this will primarily affect deliveries of softwood, of which there is a world shortage. United Kingdom consumption of softwood, of which housing forms the largest part, is at present restricted to 50% of pre-war. Some part of the reduction in Soviet exports might fall on deliveries of grain and other foodstuffs of which some additional supplies could be obtained in dollar markets.

France

It has not been possible in the time available to examine in detail the consequences of the proposed measures for the French economy. A further paper will be circulated later. All four of the factors listed above apply with greater or less severity. Moreover, for France, as for other Western European countries, the political consequences of such measures may present a problem of rather wider significance than the economic data above might suggest.

Western Europe

Officials from the three Governments could not hope accurately to assess the economic impact on other Western European countries. The traditional trade of Western Europe with Eastern Europe has had great influence on the structure of Western European industry. There are commodities such as coal and coarse grains of which other Western European countries need supplies. There are Western European countries for whom increased unemployment would be of serious concern though the prospect of continued economic improvement and the immediate impact of rearmament expenditure should offset this in some degree. To the extent that additional export controls hinder the restoration of East/West trade, Western European countries will compete to a greater degree in the markets remaining open both in the sale of manufactured goods and in the procurement of supplies of raw materials and food.

An overall assessment of the impact of the proposed controls upon Western Europe, in any case, must be a matter of judgement in which there may be legitimate differences of view. It is, nevertheless, clear that the adoption by the countries of Western Europe of the measures now proposed will have an effect sufficiently marked to make it unwise to consider further substantial restrictions on export until the effects of these measures have been more fully observed.

Method of applying Quantitative Control

As stated in paragraph 6 (ii) above, 73 items have been recommended for quantitative control. This form of control is not a new concept; it is applicable to the existing International List II. Officials agreed, however, that a more precise formulation of policy and procedure was necessary if such control was to achieve its object,

namely to ensure by agreement between participating countries that aggregate exports of these items did not exceed the level beyond which they could contribute significantly to Soviet war potential. Their conclusions are set out in Annex II.[8] Briefly, these contemplate some form of pre-shipment control over each item, immediate action over the entire field to hold exports, in general, to the average level over an agreed base period, and later more restrictive action in regard to selected items. The degree of restriction and the selection of items will be determined in the light of an analysis of available intelligence regarding the supply/demand position in the Soviet bloc and the end-use of the goods in question. Officials agreed that such an analysis should be undertaken at once.

Object and Scope of Exchange of Information

8. Whilst exchange of information about exports to the Soviet bloc is familiar as a procedure directly related to quantitative control, the creation of a separate category for this purpose is a new departure. The object is to ensure that a close watch is kept on items which are of potential strategic significance but about which the information now available on the needs of the Soviet bloc is insufficient to establish the necessity for definitive control. With this object in view, the officials agreed that the three countries should exchange information monthly about the items selected for this category; that they should review such items whenever necessary to determine whether definitive controls should be instituted; and that where there is evidence of an excessive rise in demand, action should be taken at once to restrict further exports.

Action required by paragraph 5 of the Ministerial Minute

9. Officials agreed, after consulting their respective Ministers, that the intention was that the three Governments should institute controls over the items agreed between them without waiting for other countries to follow suit. At the same time, it was recognised that provision would have to be made for the three Governments to review their action if it were to be frustrated in particular cases by the failure of other countries to co-operate. Both points are covered in the agreed statement at Annex I.[8]

10. Experts in Stage II were unable in the time at their disposal to specify the individual items of which control by the three Governments alone was likely to be ineffective. They were, however, able to reach general conclusions on the sectors of industry considered. Particular emphasis was placed on the importance of co-operation by Western Germany, Belgium, Sweden and Switzerland in the fields of

[8] Not printed.

Chemical and Petroleum Equipment, Transportation Equipment, and Precision Instruments and Electronics.

11. The method by which the co-operation of other members of the Paris Consultative Group could best be obtained was carefully considered. It was agreed that a full report and explanation of the results of the tripartite discussions should be presented to the members of the Consultative Group for consideration at its meeting on 29th November, after conveying through diplomatic channels some preliminary indication of the nature of the tripartite decisions. A detailed statement of the arrangements contemplated is at Annex J.[9]

C. GENERAL COMMENTARY

12. The list of goods which countries participating in the Paris Organisation have already agreed for embargo to the Soviet bloc (including China) contains over 100 items; the items agreed for quantitative control number about 50. The totals of additional items now recommended for these two forms of control are 102 and 73 respectively; in addition, 69 items have been recommended for the new category of exchange of information. Whilst a mere numerical comparison between existing controls and those now recommended cannot permit of any accurate measurement of the distance covered in this operation, it does at least indicate that the distance is considerable. To enable tripartite agreement to be carried to this point a good deal of give and take was necessary throughout the discussions. It may be added that this spirit of accommodation was sustained by the hope that, if an agreement satisfactory to all three Governments emerged from the discussions, it might, subject to the necessary flexibility, be expected to prove in the present international situation to be of an enduring character. A relevant point in this connexion is that the items now recommended for control include practically all the items at present pending consideration in the Paris organisation.

13. Owing *inter alia* to the paucity of economic and military intelligence about the Soviet bloc, it is difficult to assess the damage which will be caused to its war potential. That there would be damage in certain important sectors cannot, however, (assuming at least some measure of co-operation from other members of the Consultative Group) be seriously doubted. For the effect of the recommendations now put forward is two-fold; first, to increase the depth of control in fields such as Metal Working Machinery, which are already recognised as strategic, and where controls are therefore already in force; second, to widen the area of coverage by extending control to items of more general industrial use which contribute to the development of the Soviet war potential in the longer term.

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[9] Not printed.

D. SUMMARY OF RECOMMENDATIONS

14. The officials of the three Governments recommend to their Ministers that the three Governments should take the following action:—

(1) Remit to N.A.T.O. action on paragraph 4(*a*) of the Ministerial Minute as proposed in paragraph 6(i) of this report;

(2) approve the application to the items listed in Annex E of the controls there indicated;

(3) institute these controls without delay, subject to a right of review as provided in Annex I;

(4) approve the proposals detailed in Annex H for applying quantitative control;

(5) approve the proposals for exchange of information contained in paragraph 8 of this report;

(6) approve an approach to other members of the Consultative Group on the general lines of Annex J.

C[HARLES] E. B[OHLEN]
F[RANÇOIS DE] T[RICORNOT DE] R[OSE]
E[RIC] A. B[ERTHOUD]

460.509/11–2150: Telegram

The Chargé in the United Kingdom (Holmes) to the Secretary of State[1]

SECRET PRIORITY LONDON, November 21, 1950—11 a. m.

2959. Excon USDel. Entire USDel considers results of tripartite conference[2] much more satisfactory than could have been anticipated. Partly because of basic change in UK position as represented by New York agreement and partly because of separation of economic from strategic consideration and establishment of independent military intelligence advisory group in tripartite talks here, expansion of agreed controls has certainly gone far beyond initial expectation of French delegation and probably also exceeds what UK had anticipated.

Delegation would emphasize the danger of pressing on broad front controls further than agreed upon at current meeting for following reasons:

1. Agreed controls come close to borderline of what can be achieved without appearing shift objective to over-all trade embargo. Such result not acceptable to European governments and pressing controls to such a point would have tendency to endanger [*engender?*] adverse

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[1] This telegram was prepared by the United States Delegation to the London Tripartite Conversations on Security Export Controls, presumably under the supervision of the Chairman of the Delegation, Charles E. Bohlen, who left London for Paris on November 20 at the conclusion of the conversations.

[2] For the Agreed Report on the London Tripartite Conversatitons, see *supra*.

reaction to any controls. For both British and particularly French, controls agreed in London represent general maximum their governments will accept.

2. US delegation convinced that while economic impact of controls not precisely measurable it is real factor and that pressing controls beyond point at which strategic advantage is fairly clearly demonstrable invites very substantial adverse economic effect contrary to interests of both our European Allies and the US, with doubtful strategic advantage.

USDel would like to point out that on many specific items though full US position was not obtained, way has been left open within terms of agreement itself, to press further to extent to which intelligence and facts justify. On tin and rubber as well, we will be able press our position in NATO where supply factor as well as strategic evaluation can be fully brought to bear. On many of disputed items in field of transport, electric power, etc., we will still be able get effective action if analysis of specific facts with regard shipment and Soviet requirements justify it. With respect quantitative control British and French delegations have claimed that present level shipments from their countries are not at significantly high levels and if any evidence of strategically important shipments is developed further action can be taken. Adequate evidence will almost certainly lead to further action but risk of economic impact is such as not to justify further pressing for action without such specific evidence.

In light of above USDel strongly urges acceptance of report of tripartite conference by US Government and wishes to have confirmed the following understanding of import of previous cables. Delegation recommends that US representative at CG meeting be authorized inform CG that results of tripartite meeting being given to CG for consideration and possible concurrence to represent a firm US position on international controls for strategic purposes. This would not preclude either further discussion of items not finally disposed of or introduction of additional items for control when adequate documentation of new information or new circumstances justifies it. The emphasis of US position, however, should be that general level of controls represented at tripartite agreement is the one suitable to current circumstances and it is not intent of US to suggest any important changes or sweeping additions to list of items recommended for control by three countries.

It is thought that such statement by US member of CG will be reassuring to French who are concerned at possibility that US will exert further pressure for additional action, but will also make it much more likely to attain support for tripartite position from other European countries.

USDel believes US should now concentrate on following activities:

1. Getting other countries to accept controls substantially as agreed UK and French.
2. Working out quantitative controls along lines of agreement where facts justify.
3. Further application of transit controls and general measures to assure effective implementation of agreed controls.
4. Obtaining cooperation of neutrals.

At our suggestion, made in light of previous UK position and fact French are in chair, UK delegation has indicated its willingness for UK to make presentation at CG. Berthoud will go to Paris for this purpose.[3]

Sent Department 2959; repeated info Paris 957.

HOLMES

[3] For the report on the Consultative Group meeting of November 29, see telegram 3069, November 30, from Paris, p. 246.

460.509/11–2150 : Telegram

The Secretary of State to the Embassy in France [1]

SECRET PRIORITY WASHINGTON, November 22, 1950—5 p. m.

2823. Excon USDel. Re London's 2959 Nov 21 rptd Paris 957 [2] and previous messages in this series.

1. Agreement reached in London tripartite talks, as reflected in agreed report to FonMins (Doc TRI/31 and annexes [3]), represents very substantial progress in field of internatl security export controls and is accepted by US Govt.[4]

2. All interested agencies most gratified with results obtained. Dept pleased to commend all members of del. under chairmanship Bohlen, for their excellent teamwork and individual contributions in carrying this lengthy and complicated negots to successful conclusion.

3. Assume that Embs London and Paris have expressed to FonOff in most appropriate manner Depts recognition their econ and polit difficulties in approaching this problem and appreciation their spirit of accommodation as shown in final results. Pls express also to Brit appreciation burden placed on them as host govt and most efficient handling these mtgs.

[1] This telegram, which was repeated to London as 2687, had the concurrence of the Department of Commerce, the Department of Defense, and the Economic Cooperation Administration.

[2] *Supra.*

[3] November 20, p. 234.

[4] Notification of American acceptance of the Agreed Report was conveyed to the French Foreign Ministry on November 24. Formal British and French approval followed shortly thereafter.

4. Dept is considering what shld be said to other dels CG concerning US attitude toward further changes in internatl lists and concerning US export policy in light of NSC meeting scheduled today.

ACHESON

460.509/11-2250 : Telegram

The Secretary of State to the Embassy in France [1]

SECRET PRIORITY WASHINGTON, November 22, 1950—8 p. m.

2861. Excon USDel. Re London's 2959 Nov 21 rptd Paris 957 [2] and Deptel 2823 Nov 22 rptd London 2687.[3] Substance of fol two paras shld be communicated to other delegations by USRep at CG mtg Nov 29: [4]

1. In accepting tripartite agreement, US understands that way is left open within terms of agreement for any country to propose more restrictive control on specific items where believed desirable, to extent that such action can be justified by presenting additional technological or trade info or intelligence concerning situation in Sovbloc, indicating a demonstrable strategic advantage in tighter control. US has no present intention to suggest any major changes in lists agreed for control by three countries and recommended by them to CG. While internatl situation remains as at present, and allowing for changes justified by new info, US believes that measures to expand internatl security export controls as agreed in London are acceptable and that highest priority shld now be given to obtaining their acceptance by other Participating Countries, implementing agreement on quantitative controls, tightening up transit and other controls, and obtaining cooperation of important non-participants.

2. US understands that Internatl Lists represent minimum level of export control agreed internationally as necessary for protection mutual security interests, and that any individual country may impose controls more restrictive if deemed necessary in its own interest and is of course free to take whatever steps may be necessary and desirable in the implementation of its export licensing in specific cases to assure that the purpose of its controls will not be defeated.

ACHESON

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[1] This telegram, which was repeated to London as 2714. had the concurrence of the Department of Commerce, the Department of Defense, and the Economic Cooperation Administration.

[2] *Ante*, p. 241.

[3] *Supra*.

[4] For the report on the meeting of the Consultative Group on November 29, see telegram 3069, November 30, from Paris, p. 246.

S/S–NSC Files : Lot 63 D 351 : NSC 91 Series

Memorandum by the Joint Chiefs of Staff to the Secretary of Defense (Marshall)[1]

TOP SECRET WASHINGTON, 22 November 1950.

Subject: East-West Trade

1. This memorandum is in response to the request contained in your memorandum of 17 November 1950[2] that the Joint Chiefs of Staff furnish you not later than 1700 on Tuesday, 21 November 1950, their comments and recommendations with regard to NSC 91/1,[3] a proposed statement of policy on "East-West Trade."

2. The Joint Chiefs of Staff note that the paper addresses itself not only to trade between the Soviet Bloc and the Western European countries but also to such trade on the part of some but not all other non-Soviet countries. The Joint Chiefs of Staff consider that the paper should be amended so as to have uniform application to all non-Soviet countries except those specifically excluded therefrom in the subject draft.

3. In connection with the current negotiations in London of the Consultative Group countries regarding items to be embargoed to the Soviet Bloc, the Joint Chiefs of Staff recommend that, if any Consultative Group country fails to reach agreement with the United States regarding the inclusion of crucial items on the approved United States 1A List, then consideration be given to a new United States policy. Such a policy might lump together all List 1 items with the items on the approved United States 1A List as a single package, the export of which should be denied to a country refusing assurances of embargo of any of the crucial items on the approved United States 1A List. This policy should be made applicable to all non-Soviet nations except those specifically excluded therefrom in the subject draft.

4. All of the foregoing considerations, excepting those in paragraph 3, are reflected in the enclosed revision of NSC 91/1 which has been prepared by the Joint Chiefs of Staff. This revision also includes certain other minor changes. The Joint Chiefs of Staff recommend, from

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[1] The source text was circulated to the National Security Council at the request of the Secretary of Defense under cover of a brief explanatory memorandum of November 22 by Council Executive Secretary Lay, not printed. The National Security Council considered the views set forth in this memorandum in conjunction with its consideration of NSC 91/1, November 17, p. 227. At its 72d Meeting, November 22, at which President Truman presided, the Council, in Action 387*a*, noted an oral statement by General Bradley summarizing the views of the Joint Chiefs of Staff with respect to NSC 91/1.

[2] Not printed.

[3] November 17, p. 227.

500–421—80——17

the military point of view, that the enclosed revision be adopted by the National Security Council as United States policy on East-West Trade.[4]

For the Joint Chiefs of Staff:
OMAR N. BRADLEY
Chairman, Joint Chiefs of Staff

[4] The revision of NSC 91/1 under reference here is not printed.

460.509/11-3050 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

SECRET PARIS, November 30, 1950—2 p. m.

3069. Excon. Following is result November 29 CG meeting:

1. Transit trade and free ports (CoCom Document 180, item 7).

CoCom directed consider not only transit trade but whole system international Excon controls with view making them really effective and eliminating loopholes.

2. Trade agreements (CoCom Document 180, item 8).

In addition agreement in document 150 (that countries supply relevant information concerning their trade commitments with Soviet bloc) it was agreed that PC's should exchange maximum information concerning trade negotiations with Soviet bloc countries; that PC's speedily pass to CoCom information on results bilateral trade negotiations with Soviet bloc and any other information obtained during course such negotiations which might enable CoCom assess demand from Soviet bloc for particular items. Method arriving effect this matter left to each PC.

3. Black lists (CoCom document 180 item 7*a*).

Referred to CoCom for study along with general question of controls (see paragraph 1 above).

4. Sweden and Switzerland. Document 176[1] approved with proviso governments keep CoCom informed of any unilateral Excon discussions with these countries.

5. Participation other countries in CG/CoCom.

Referred to CoCom for study (which should include trade of other countries with Soviet bloc, and their transit trade) and recommendation advisability having such countries participate in Paris organization.

[1] In the document under reference here, not printed, the Coordinating Committee proposed that following the Consultative Group meeting, Group Chairman Alphand or his deputy ask the Swedish and Swiss authorities to begin informal discussions regarding their offer to cooperate with the Coordinating Committee (see footnote 4, p. 211).

6. London tripartite proposals. Prior December 25 if possible PC's will indicate to CG chairman their general views on acceptance. CG will reconvene early January to consider governmental replies with the object that only specific items not acceptable to PC's will be referred CoCom for specific considerations. Only discussion this subject was on procedure, except Italian delegate who stated he anticipated no objection his government's acceptance. Netherlands questioned whether they would be ready express opinion position by December 25 and Belgians predicated their expressed preliminary views on receipt of French translations not completed.

7. Merchant ships and other watercraft referred CoCom for further consideration.

8. Secrecy.

Present agreement re secrecy CoCom continued and no delegates to make statements to press re Paris organization.

9. CoCom delegates.

Suggested that all delegations [garble] permanent CoCom delegations.[2]

10. CoCom secretariat.

CG subcommittee formed to consider secretariat needs when necessary CoCom action resulting from London tripartite agreement [3] can be assessed.

11. Economic impact. Where any PC's can show economic impact from Excon controls CoCom authorized discuss question alternative sources items received from Soviet bloc and alternative markets commodities exported to Soviet bloc. Denmark reserved position this point.

Will airpouch official document on meeting when drafting completed and approved by all delegations.

BRUCE

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[2] Telegram 3351, December 12, from Paris, not printed, reported that the Netherlands had not complied with this recommendation to provide a permanent CoCom representative and continued to miss scheduled CoCom meetings. (460.509/12–2150)

[3] See TRI/31 (Final), November 20, p. 234.

460.509/12-950 : Telegram

The United States High Commissioner for Germany (McCloy) to the Secretary of State

CONFIDENTIAL FRANKFORT, December 9, 1950—3 p. m.

4806. Excon. Kroll, head German delegation CoCom, called on US element HICOM December 9, discuss export control.

Kroll gave emphatic assurances German Government prepared adopt and implement London lists [1] and stated he instructed by Minister Erhardt to assume responsibility export control program and insure improvement performance. Specifically he indicated readiness deny to foreign trade banks flouting regulations right issue export licenses and issue new instructions to customs authorities requiring careful check exports.

Memorandum now being prepared by FedRef to CoCom accepting London lists but proposing pre-war period be used as basis for quantitative restrictions rather than post-war period before German exports revived.

Kroll stated Chancellor desires equality for Germany in control program and indicated if such equality granted enforcement would be greatly simplified. He was assured HICOM ready review present extraordinary restrictions on German administration upon receipt from Federal Government assurances they prepared adopt London lists and cooperate enforcement but reminded occupation statute would retain reserved powers this field. Meeting ended in expression hope German performance would be such that exercise reserved powers unnecessary.

Sent Department 4806, repeated information Paris 455.

McCLOY

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[1] Telegram 4542, November 30, from Frankfort, not printed, reported that American, British, and French authorities had informed the German Federal Government of the successful conclusion of the Tripartite London Conversations on Security Export Controls. The American, British, and French Governments would implement the export control lists developed during the London meetings and would request other Coordinating Committee members to do likewise, desired Federal support in the Coordinating Committee, and expected that the current International Lists agreed upon in the Committee together with new lists developed during the London Tripartite Conversations would replace American lists 1-A and 1-B in the Federal Republic at the earliest practical time (460.509/11-3050).

S/S–NSC Files : Lot 63 D 351 : NSC 94 Series

Note by the Executive Secretary of the National Security Council (Lay) to the National Security Council [1]

SECRET [WASHINGTON,] December 21, 1950.

NSC 94/1

NSC DETERMINATIONS UNDER PUBLIC LAW 843, SECTION 1304 (THE CANNON AMENDMENT) [2]

References: A. NSC 94 [3]
B. Memo for NSC from Executive Secretary, same subject, dated December 21, 1950 [4]
C. NSC Action No. 402 [5]

The National Security Council, the Acting Secretary of the Treasury, the Secretary of Commerce, the Economic Cooperation Administrator and the Director of Defense Mobilization, at the 76th Council meeting [6] with the President presiding (NSC Action No. 402), considered a draft report on the subject (NSC 94) and approved the statement of policy contained therein subject to editorial changes in paragraphs 1 and 2 thereof, as contained in the enclosure.

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[1] This note and its enclosures were circulated to the National Security Council under a cover sheet entitled "A Report to the National Security Council by the Executive Secretary on NSC Determinations under Public Law 843, Section 1304 (The Cannon Amendment), December 21, 1950".

[2] Regarding the "Cannon Amendment" under reference here, see telegrams 1478, September 20, from Paris, and 1493, September 23, to Paris, pp. 189 and 192.

[3] According to a memorandum of December 21 from Deputy Assistant Secretary of State for Economic Affairs O'Gara to the Secretary of State, not printed, the problem of preparing NSC determinations under Public Law 843, Section 1304 (The Cannon Amendment) was given over by the National Security Council for study and recommendation to a Special Committee on East-West Trade presided over by Council Executive Secretary Lay (S/S–NSC Files, Lot 63 D 351, NSC 94 Series). Regarding the establishment of the Special Committee on East-West Trade, see footnote 6, p. 225. The draft policy statement and accompanying staff study prepared by the Special Committee were approved at a meeting of the National Security Council Senior Staff on December 20 and were circulated to the Council as document NSC 94, December 21, not printed. There were only a few nonsubstantive, editorial differences between the policy statement and staff study presented in NSC 94 and the approved versions of those papers printed here.

[4] Not printed. It circulated to the National Security Council, at the request of Secretary of Defense Marshall, a brief memorandum of December 20 from the Joint Chiefs of Staff to the Secretary of Defense setting forth the views of the Joint Chiefs on the statement of policy offered in NSC 94. The operative portions of the memorandum were as follows:

"2. The Joint Chiefs of Staff note that the proposed statement in paragraph 3 addresses itself to an interim policy which, while not fully responsive to the requirement of Public Law 843, Section 1304 is considered satisfactory pending the completion of the determinations by the Council in response to the law.

"3. Subject to the above remarks, and pending determinations by the Council in response to Public Law 843, Section 1304, the Joint Chiefs of Staff, from the military point of view, perceive no objection to the statement contained in NSC 94 as an interim policy." (S/S–NSC Files, Lot 63 D 351, NSC 94 Series)

[5] The substance of NSC Action No. 402 is given in the note by Lay printed here.

[6] December 21, 1950.

The Council also noted the views of the Joint Chiefs of Staff regarding NSC 94 (Reference B) as read at the meeting.

The approved statement of policy in NSC 94, as editorially revised, and the staff study with editorial revisions, are accordingly circulated herewith for information and appropriate action.

JAMES S. LAY, JR.

[Enclosure]

Statement of Policy by the National Security Council

SECRET

[WASHINGTON, undated.]

NSC DETERMINATIONS UNDER PUBLIC LAW 843, SECTION 1304
THE CANNON AMENDMENT

1. Under present world conditions the security interests of the United States are involved in trade between the Soviet bloc and any non-Soviet country, particularly those receiving U.S. economic and financial assistance.

2. Trade relations between the Soviet bloc and non-Soviet countries, particularly those receiving U.S. economic and financial assistance, should therefore be kept under urgent and continuing scrutiny by the National Security Council, the Secretary of the Treasury, the Secretary of Commerce and the Economic Cooperation Administrator, with a view to appropriate action to safeguard U.S. security interests.

3. In the light of current U.S. policies and actions with respect to East-West trade and pending the conclusion of negotiations for parallel action among the western countries, however, immediate action by this Government to cut off U.S. economic or financial assistance to any foreign country, as authorized by Public Law 843, Section 1304 (The Cannon Amendment) would be contrary to U.S. security interests.

4. The Special Committee on East-West Trade, however, should make recommendations to the Council wherever the security interests of the United States may be involved, as described by Public Law 843, Section 1304; should assume that economic and financial assistance includes loans as well as grants; should continue its scrutiny of the above trade relations even though the Armed Forces of the United States may not be actively engaged in hostilities, as expressed in Public Law 843, Section 1304; and should take into consideration the general security interests of the United States with respect to each country for which a judgment may be required. The Special Committee is therefore directed to make such arrangements among the various departments and agencies of the Government as may be required for statistical analysis, advice and assistance.

[Subenclosure]

Staff Study by the Special Committee on East-West Trade of the National Security Council

SECRET [WASHINGTON, undated.]

NSC DETERMINATIONS UNDER PUBLIC LAW 843, SECTION 1304 (THE CANNON AMENDMENT)

THE PROBLEM

1. To recommend to the National Security Council appropriate action with respect to the Council's responsibilities under Public Law 843, Section 1304 (the Cannon Amendment).

ANALYSIS

2. Public Law 843 contains the following provision, referred to as the "Cannon Amendment":

Sec. 1304. During any period in which the Armed Forces of the United States are actively engaged in hostilities while carrying out any decision of the Security Council of the United Nations, no economic or financial assistance shall be provided, out of any funds appropriated to carry out the purposes of the Economic Cooperation Act of 1948, as amended, or any other act to provide economic or financial assistance (other than military assistance) to foreign countries, to any country whose trade with the Union of Soviet Socialist Republics or any of its satellite countries (including Communist China and Communist North Korea) is found by the National Security Council to be contrary to the security interests of the United States.

This Act may be cited as the "Supplemental Appropriation Act, 1951".

This provision will require a review of East-West trade by the NSC and determination as to the effect of such trade on U.S. security interests.

3. The problem has three parts. It will be necessary:

a. To define the policy considerations which will require denial of economic or financial assistance to any country whose trade with countries of the Soviet Bloc is contrary to U.S. security interests.

b. To obtain and examine statistics of trade with the Soviet Bloc by countries receiving U.S. assistance.

c. To outline the procedural arrangements whereby the National Security Council may fulfill its responsibilities.

4. In the light of the present international situation and of the probable intent of Congress in adopting the Cannon Amendment, the Council should assume that loans as well as grants are subject to scrutiny in terms of U.S. security interests. Furthermore, the Council

should also appraise the trade between the Soviet Bloc and countries receiving U.S. assistance in terms of the risks of general warfare, and not limit its considerations solely to a period, as described in the Cannon Amendment, "in which the Armed Forces of the United States are actively engaged in hostilities. . . ." With these two interpretations, it is recommended that the following policy considerations be adopted as a basis for Council determinations under the Cannon Amendment:

a. The U.S. position should be based on a prompt and full consideration of the merits of the case with respect to each country for which a judgment may be required.

The Cannon Amendment is discretionary, in that a finding of the National Security Council is required before its provisions become operative. This should permit flexibility in its application. It should also permit a redefinition of the U.S. security interest in international trade as it may be warranted by events and by the special country problems involved. However, Council action should be vigilant and prompt in support of the intent of the law.

b. U.S. security interests in trade between the Soviet Bloc and countries receiving U.S. assistance should be related to the risks of general warfare as well as to the scope of hostilities actually under way.

The Amendment applies "during any period in which the Armed Forces of the United States are actively engaged in hostilities while carrying out any decision of the Security Council of the United Nations." Obviously, the nature and extent of these hostilities should be a primary consideration in determining when countries receiving U.S. assistance are trading with the Soviet Bloc in a manner that is contrary to U.S. security interests. However, of equal importance with the scope of hostilities under way should be consideration of the risks of general warfare.

(1) Under conditions of *general warfare*, *any* trade of third countries with the enemy would be contrary to the U.S. national security interest, except under the most unusual circumstances. All exports of third countries then would contribute to the continuation of hostilities and every effort, direct and indirect, should be made by the United States to prevent such exports from taking place. Exceptional circumstances justifying a variation in the application of this principle would relate only to trade with the enemy that may be required for military and strategic reasons (e.g., under threat of retaliatory invasion of third countries, or for the purpose of obtaining, by such indirect means, particular strategic materials from enemy territory).

(2) Under conditions short of general warfare, the national security will permit a more comprehensive examination of the terms of trade between third countries and countries of the Soviet Bloc. The determination of how rigid the controls over third countries' exports to the Soviet Bloc should be, in the interest of U.S. security, will of course be related to the best estimate as to how much time may be expected to elapse before the outbreak of general hostilities. U.S. East-West trade controls have been operating on the basis that general hostilities are a possibility but

not a certainty, and that for the present, our objective is to obtain the maximum relative strengthening of the West over the Soviet Bloc. As presently applied by the United States, this policy takes due account of the contribution which trade with the Soviet Bloc may make to the strengthening of the West. The present hostilities should not change this policy or objective. Nevertheless, a review of East-West trade in the light of current events should now be made on the basis of revised assumptions with respect to the risks of general hostilities.

c. The United States should continue its efforts to persuade countries receiving U.S. assistance and engaging in trade relations with the Soviet Bloc to apply security controls satisfactory to the United States. However, failure of any country to apply such controls may not of itself be reason for denial of assistance in terms of Public Law 843, Section 1304.

Before assistance is withdrawn under the terms of the Amendment, the NSC should determine whether a greater disservice would be done to U.S. security interests by continuation of the country's trade relations with the Soviet Bloc or by cessation of the U.S. assistance program.

(1) *Western Europe*

The Amendment applies to any country receiving economic or financial assistance from the United States. In general, U.S. efforts to obtain parallel action on security trade controls have been limited to countries receiving ECA assistance. There is a reasonable prospect that parallelism will be obtained from all important OEEC countries. Sweden has given private assurances concerning the end-use of U.S. goods; Switzerland does not receive ECA assistance, while Portugal, Greece and Eire have only a relatively small volume of trade with countries of the Soviet Bloc. The problem of Germany is one which warrants immediate attention as a special case. It is believed that so far as Western European countries are concerned, their acceptance of a level of controls approximating that agreed in the London tripartite talks [7] may well eliminate the necessity for action under the Cannon Amendment.

(2) *Countries outside Europe*

The Cannon Amendment will apply to provision of all types of U.S. financial and economic assistance (including Point IV, Ex-ImBank loans, cotton credits). Its implementation obviously will require close scrutiny of trade relations between the Soviet Bloc and many countries outside Europe. Consideration of area problems outside Europe may well require a broader interpretation of what constitutes the U.S. national security interest in these areas than the simple consideration of the commodities traded with the Soviet Bloc or the balancing of strategic and economic advantages associated with the trade. Certainly the attempt should be made to establish control systems in these areas, in so

[7] See TRI/31 (Final), November 20, the Agreed Report on the Tripartite London Conversations on Security Export Controls, p. 234.

far as possible. However, it may not be possible to establish a workable system of security export controls because the country is unable to accept or enforce such controls.

The question arises as to whether U.S. aid is to be automatically denied to all such countries which either do not or cannot establish desirable security control over their trade with the Soviet Bloc. Presumably economic assistance has been supplied these areas to serve a long-term or short-term national interest; under current conditions, this may be assumed to be in most cases a U.S. security interest. Economic assistance to new or unstable Far Eastern countries, for example, may be essential to the maintenance in power of governments that are capable of resisting Communist aggression. If these governments are at the same time too precariously situated, in external and internal affairs, to implement security trade controls, it may well serve U.S. security interests best to continue supplying economic assistance to the area, despite its continuing trade relations with the Soviet Bloc. Obviously, such a determination can be made only on a case-by-case basis, and after consideration has been given to the feasibility of establishing in the area a system of security controls on the one hand, and to the immediate necessity of improving our world position vis-à-vis the Soviet Bloc, on the other.

If it then appears that satisfactory trade controls cannot be established, the decision on withdrawal of U.S. assistance should be made after due consideration of the nature and magnitude of the area's trade relations with the Soviet Bloc and the basic objectives of the assistance program. Consideration should be given to the effect of withdrawal of U.S. assistance, and to the relevant geographic, political and economic conditions that affect the area's trade relations with the Soviet Bloc.

d. The objectives of the pertinent assistance program, as well as U.S. objectives concerning trade relations with the Soviet Bloc, should be in accordance with U.S. security interests.

The Cannon Amendment would seem to require a justification of all current and proposed U.S. assistance programs in terms of the national security interest. Thus the Amendment clearly calls for an analysis of each area's trade relations with the Soviet Bloc. If controls are not established over a particular country's trade with the Soviet Bloc, the continuation of assistance will have to be justified. The national security interest should be interpreted broadly enough to permit situations where an assistance program might properly be continued even though trade with the Soviet Bloc in security items continues.

5. The availability of statistics on East-West trade is being reviewed, and there should be a separate country study initially for each of the countries whose trade requires review under the Amendment. Subsequent studies of other important countries should also be made as the circumstances warrant. In preparing such studies, it should be recognized that there will be difficulty in obtaining comparable data. An attempt should be made, however, to present the statistics in terms comparable with the U.S. 1A and 1B lists. Furthermore, statistics

should not be confined to items on the 1A and 1B lists, but should include other items which might aid in the maintenance of or increase the war potential of the Soviet Bloc. While the strategic items moving in trade both to and from the Soviet Bloc should be identified to the extent possible, the total content and hence the relative advantage of such trade in economic as well as security terms should also be presented.

6. The Department of Commerce, utilizing the resources of other interested departments and agencies, particularly State, Defense, Treasury, ECA and CIA, is preparing the country studies of trade to and from the Soviet Bloc referred to above, and will submit these statistical analyses for evaluation by the Special Committee on East-West Trade. The Department of State will provide the Special Committee with a current list of U.S. aid programs and keep such a list up-to-date.

7. The Special Committee on East-West Trade, upon receipt of the statistical studies prepared by the Department of Commerce, should evaluate each with a view to making appropriate recommendations for Council action thereon.

400.119/12-2850

The President to the Secretary of State

CONFIDENTIAL WASHINGTON, December 28, 1950.

MY DEAR MR. SECRETARY: Recent developments in the international situation require that the United States review and adjust certain of its policies and programs with respect to its international economic activities. It is necessary that we now take such measures as are feasible to prevent the flow to countries supporting Communist imperialist aggression of those materials, goods, funds and services which would serve materially to aid their ability to carry on such aggression. We must enlist the cooperation and support of other nations in carrying out those measures; and in securing such support we must stand ready to take such steps as may be necessary to minimize the economic dependency of cooperating nations upon Communist imperialist countries. Such objectives must necessarily be achieved without materially impairing our collateral aim of increasing the flow, and assuring the sound allocation, of strategic and critical materials to the free countries of the world.

It is my desire that to the extent that legislation, organization and funds permit and subject to your advice and concurrence with respect to foreign policy objectives, all appropriate programs of the Government now be adjusted and hereafter administered in the light of the

above determinations. I desire that you keep me currently informed of the actions taken by the various agencies involved in support of these objectives.

Further, I request that you take the lead in developing recommendations, for submission to me within the next 30 days, of additional measures to achieve these purposes. The development of recommendations will require an analysis to be undertaken by the Economic Cooperation Administration, with such assistance from other agencies as it may request, of the economy and trade of Communist imperialist aggressors as well as the economy and trade of countries trading with them and the development of specific programs for the adjustment of those trade patterns.

I am having copies of this letter transmitted to the Secretaries of Defense, Treasury, Agriculture, Commerce and Interior, to the Economic Cooperation Administrator, and to the Director of Central Intelligence with the request that they undertake such studies and analyses and participate in the development of recommendations as you may require.

I am also sending copies of this letter to Mr. Harriman and to the Director of the Bureau of the Budget with the request that they work closely with you in the development of the recommendations, the latter especially on those which have organizational and budgetary implications.

Sincerely yours, HARRY S. TRUMAN

460.509/12-2950 : Telegram

The Secretary of State to the Embassy in France [1]

SECRET PRIORITY WASHINGTON, December 29, 1950—5 p. m.

3478. Excon. Re Embtel 3549 Dec 21, rptd Bern 57, Stockholm 43, London 866; [2] Deptel 3384 Dec 21; [3] Stockholm tel 736 Dec 24, rptd Paris 138, London 149, Bern and Rome unnumbered; [4] Bern tel 917

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[1] This telegram was also sent for action to Stockholm as 483 and to Bern as 833 and was repeated for information to London as 3194.

[2] Not printed. It reviewed efforts during December by the French on behalf of the Coordinating Committee to obtain Swedish and Swiss cooperation on export controls, characterized the progress made as inconsequential, and recommended a meeting in London of American, British, and possibly French Representatives to prepare a new joint *démarche* to the Swedish and Swiss Governments (460.509/12-2150).

[3] Not printed. It observed that the forthcoming Swedish trade agreement negotiations with Czechoslovakia on January 8, 1951, and with the Soviet Union on January 15, 1951, provided added reason for the utmost urgency in an approach to Sweden on the entire question of cooperation in international security export controls (460.509/12-1650).

[4] Not printed.

Dec 22 and 918 Dec 24, rptd Paris 124.[5] (*Note:* Leg Bern pls rpt your 917 to Paris.)

(1) Dept concurs in immed approach to Swedes and Swiss independent of any further action by Fr alone on behalf CG. Agree that past Fr efforts have been fruitless and that impending Swed TA Negots with USSR and Czecho justify immed action as supplement to multilateral approach.

(2) In view this urgency, Emb Stockholm and Leg Bern are requested take action informally as outlined below, subject to concurrence USDel CoCom, which shld first inform UK and Fr Dels CoCom re action US proposes to take and express hope their govts will make parallel approach in Stockholm and Bern in whatever manner seems most appropriate—i.e., approach jointly with US missions, independent *démarche*, or US Rep acting for all three by agreement. If tripartite or at least bipartite approach not possible by Jan 6 at latest, Emb Stockholm and Leg Bern shld proceed independently make approach that day. This deadline considered necessary in view imminence TA negots and desirability transmit Tri proposals to Swiss same time as Sweds.

(3) Approach to Swedes: Emb Stockholm shld discuss with FonOff, making approach along fol lines and at level you consider most appropriate.

(*a*) Transmit to Swedes tripartite lists and explain developments leading to their adoption (see UK statement to PCs at Nov 29 CG mtg, CoCom Doc 213[6]). Paris shld confirm to Stockholm and Bern before Jan 6 extent to which tri proposals have been accepted by all PCs.

(*b*) State that we consider the matter of expanding coverage of Swedish export controls as very urgent problem, especially in view forthcoming Swedish negots with USSR and Czecho. We trust that FonOff will study carefully what PCs are doing, as represented by internatl plus tri lists, in order that we can ascertain at early date what specific steps Sweden is prepared to take toward parallel action with other Western countries in this field. We hope FonOff may be in position to discuss this whole question in more detail before end of Jan.

(*c*) We know that other PCs are also interested in Swedish intentions, and understand that UK and Fr associate themselves with US approach at this time. (Paris, pls confirm to Stockholm and Bern what may be said on latter point.)

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[5] Neither printed. They reported that Swiss officials had informed Minister Vincent that Switzerland might act to curtail exports to Eastern Europe under the terms of a parliamentary act of 1939, but that it was imperative that the United States take no action which would look like open pressure and thereby make more difficult the invocation of the 1939 act (400.549/12–2250 and 490.549/12–2450).

[6] Not printed. It contained the text of the statement by the British Delegate to the Consultative Group meeting of November 30 (see telegram 3069, November 30, from Paris, p. 246) reviewing the results of the London Tripartite Conversations on Security Export Controls, October 17–November 20.

(*d*) So far as US is concerned, we urge that Swedish Govt reexamine entire problem urgently in light of forthcoming negots with Sovbloc countries, inasmuch as US Govt will have to judge Swedish intentions concerning future export controls by action taken in those negots.

(*e*) Express interest in bearings as special case previously discussed and state that US as well as other PCs wld like to know as soon as possible whether Sweden will accept tripartite control proposal. If Italian clearance given, explain Ital bearings situation as per Rome's tel 2707 Dec 22, rptd Stockholm 8, Paris 364.[7] Arrange for separate follow-up discussion this particular matter at earliest convenience.

(4) Approach to Swiss: (re Bern tels 917 and 918 Dec 22)

(a) Leg shld assure FonOff that no embargo or other drastic action will be taken without warning, but US believes some definite action may be required soon.

(*b*) You shld transmit copies of Tri proposals(assume Swiss have most recent Internatl List) and explain background as per para 3(*a*) above. Express desire for mtg by end of Jan to ascertain what steps Swiss will take to adopt controls parallel to those of other Western countries.

(*c*) You shld state that we regard East-West security export controls as matter of great urgency. While US can comply with request for some additional time nevertheless necessary know soonest how long FonOff expects will take to lay groundwork for invoking Swiss Parliamentary Act of 1939. You shld observe that US interest is to prevent building up of Sov war potential which threatens Switz, rest of WE as well as US.

(5) After Jan 6 *démarche* and before next mtgs with Sweds and Swiss, Dept desires have views of Embs Paris, Stockholm and Leg Bern re (*a*) what Swed and Swiss assurances or actions for expansion export controls shld be accepted as giving adequate protection to Western security interest, and (*b*) what steps US and other CoCom countries might take if assurances or action inadequate. Depts preliminary views expressed in Depgram A-695 Nov 24 which, however, concerned mainly with multilateral approach.

(6) If still seems desirable following Jan 6 approach, Dept has no objection to mtg in Paris or London between US Excon officers concerned this problem but questions need for broader mtg with UK and Fr Excon officers, as suggested Paris tel 3549. Suggest USDel CoCom discuss latter with UK and Fr. In any case, continued close liaison between USDel and UK and Fr Dels CoCom on this problem is essential and offers most efficient means of coordinating US-UK-Fr action, which shld be taken through respective Embs Stockholm and Leg Bern. USDel CoCom shld therefore take initiative, either with UK and Fr Dels or through mtg suggested Paris tel 3549, to obtain Brit and Fr views soon as possible re position to be taken with Sweds and

[7] Not printed.

Swiss in proposed mtgs following Jan 6 *démarche* and their views on questions (*a*) and (*b*) para 5 above. Upon receipt views of Paris, Stockholm and Bern, and report on UK and Fr views, Dept will formulate US position on further follow-up action in light of recent NSC decisions, Cannon amendment, etc. Believe no attempt shld be made to develop shortened list for presentation to Swiss or Sweds. Such attempt wld be extremely time-consuming and raise entire question priority individual items. Full lists needed for transit controls. If Sweds or Swiss on own accord suggest shortened list we can consider their proposals when recd.

ACHESON

400.62A9/11–150

The Department of State to the British Embassy

MEMORANDUM

The British Embassy's *aide-mémoire* (Reference 1152/229/50) of November 1, 1950 [1] relating to the laxity of West German 1–B export controls has been considered by the United States Government in the light of the recent London tripartite discussions on export controls,[2] and in the light of the earlier High Commission decision to review the instructions to the Federal Republic on this matter at such time as a multilateral level of export controls was agreed by the Paris Consultative Group.

As a consequence, the United States Government withdraws the proposals submitted in its *aide-mémoire* of September 1. As the Embassy is doubtless aware, the High Commission has already agreed to the modification of the outstanding export control instructions to the Federal Republic to conform to the controls agreed in London by the United Kingdom, French and United States Governments.[3]

The United States Government is pleased to note the willingness of the United Kingdom Government to participate in an approach to the Federal Chancellor through the High Commission directing attention to the unsatisfactory enforcement of German control regulations. The United States High Commissioner, therefore, is being instructed to bear in mind this attitude of the United Kingdom Gov-

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[1] Not printed. It replied to the Department's *aide-mémoire* of August 31 to the British Embassy (p. 182) suggesting that instead of the measures proposed by the Department, which might prejudice the ultimate cooperation of the German Federal Government, it would be preferable for the Allied High Commission in Germany to seek to persuade Chancellor Adenauer to bring about a more rigid enforcement of export security controls (400.62A9/11–150).

[2] See TRI/31 (Final), November 20, the Agreed Report on the Tripartite London Conversations on Security Export Controls, p. 234.

[3] See footnote 1, p. 248.

ernment and to discuss such an approach with his colleagues should he feel that recent approaches to the Federal Republic on this subject have not produced the results desired.

WASHINGTON, January 3, 1951.

ATTITUDE AND RESPONSE OF THE UNITED STATES TO THE SOVIET "PEACE OFFENSIVE"; EFFORTS TO STRENGTHEN THE UNITED STATES INTERNATIONAL INFORMATION PROGRAM, PARTICULARLY THE VOICE OF AMERICA [1]

800.062–ICFTU/1–650

Memorandum of Conversation, by Mr. Cleon O. Swayzee, Labor Adviser, Office of the Assistant Secretary of State for Economic Affairs

[WASHINGTON,] January 6, 1950.

Participants: Secretary Acheson; Assistant Secretaries Perkins,[2] Butterworth,[3] McGhee [4] and Miller; [5] Mr. Cleon O. Swayzee, E/L.

AFL—President Green,[6] Mr. Meany,[7] Mr. Woll,[8] Mr. McGowan,[9] Mr. Doherty,[10] Mr. Harrison [11] and Mr. Lovestone.[12]

CIO—Mr. Carey,[13] Mr. Haywood,[14] Mr. Kyne.[15] United Mine Workers—Mr. P[aul] Reed.

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[1] Previous documentation on these topics is printed in *Foreign Relations*, 1949, volume v.

[2] Assistant Secretary of State for European Affairs, George W. Perkins.

[3] Assistant Secretary of State for Far Eastern Affairs, W. Walton Butterworth.

[4] Assistant Secretary of State for Near Eastern, South Asian, and African Affairs, George C. McGhee.

[5] Assistant Secretary of State for Inter-American Affairs, Edward G. Miller, Jr.

[6] William Green, President of the American Federation of Labor.

[7] George Meany, Secretary-Treasurer of the American Federation of Labor.

[8] Matthew Woll, Second Vice President of the American Federation of Labor; President of the Free Trade Union Committee, AFL.

[9] Charles J. McGowan, Tenth Vice President of the American Federation of Labor.

[10] William C. Doherty, Ninth Vice President of the American Federation of Labor; President of the National Association of Letter Carriers.

[11] George M. Harrison, Fourth Vice President of the American Federation of Labor; Grand President of the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees.

[12] Jay Lovestone, Executive Secretary, Free Trade Union Committee, AFL.

[13] James B. Carey, Secretary-Treasurer of the Congress of Industrial Organizations.

[14] Allan S. Haywood, Vice President and Director of the Organization Department, Congress of Industrial Organizations.

[15] Martin C. Kyne, Executive Secretary, Retail, Wholesale and Department Store Union, CIO.

500–421—80——18

(All delegates returned from the organization meeting of the ICFTU held in London, November 28, 1949) [16]

The Secretary opened the meeting by congratulating the labor representatives on their notable achievement in London and indicated the Department's strong sympathetic interest in the new international democratic Confederation. He indicated, moreover, that the Department recognized its own limitations in this connection. It did want to encourage the development of the new organization in any appropriate way possible. At that point he asked the labor representatives for their own impressions of the London meeting.

President Green opened his remarks by stressing the complete AFL-CIO harmony at the London meeting. He indicated that not a move had been made by either without the closest consultation with the other. He pointed to the general unanimity on the part of all delegations present in their desire to thwart the growth of Communism in every way possible. In this connection he stressed the fact that nothing in the Constitution of the new organization remotely suggested Marxism class struggle influence—that the new organization was completely non-Socialist in character. He remarked further upon the broad interests of the new organization as indicated in the Manifesto of Economic and Social demands adopted at the conference.

Each of the other labor representatives who spoke concurred in Mr. Green's remarks and gave special emphasis to the AFL-CIO harmony which had been achieved. In this connection there were even overtones of harmony over a wider area even extending to domestic policies.

Messrs. Haywood and Reed emphasized the need for a friendly government attitude toward the new organization and appealed for encouragement to help the new organization get on its feet in order that it might serve as a point around which non-Communists the world over could rally.

Mr. Meany said that they had made a good start in London but pointed out that it was only a start. He remarked on the fact that the Communist World Federation of Trade Unions, without the restraining influence of non-Communist unions, had given some evidence of

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[16] The International Confederation of Free Trade Unions (ICFTU), a new international labor federation created as a democratic rival to the Communist-dominated World Federation of Trade Unions (WFTU) was formally established at the international conference of trade unions held in London, November 28–December 9, 1949. The American Federation of Labor (AFL) and the Congress of Industrial Organizations (CIO) were represented by high-ranking delegations which wielded a strong influence at the conference. The Department of State was in no way involved in the conference but followed events there with great interest. Documentation on the conference and the interest of the United States in the establishment of a democratic world labor federation is printed in *Foreign Relations*, 1949, vol. v, pp. 806 ff. For an account of the founding and early organization and activities of the ICFTU, see *Report of the Executive Council of the American Federation of Labor to the Sixty-ninth Convention, Houston, Texas, September 18, 1950*, pp. 54–58.

consolidating its strength. He likewise appealed for friendly government recognition of the new organization at every possible opportunity.

Mr. McGowan commented upon how few workers in France were aware of the assistance which the United States had been extending through the recovery program. Mr. Carey concurred in this but said he thought this situation had been improved somewhat in the past year. He pointed to the gross inefficiency among French management and indicated that French labor should exert pressures on French management toward the end of greater efficiency and a greater aggregate product.

Mr. Woll made a special point of the fact that the new organization, unlike any of its predecessors, encouraged unity of labor within countries by inviting more than one national center to affiliate. In this connection he spoke also of the efforts that were made in London to bring the Catholics as well as the Socialists together in the new organization.

The Secretary left the meeting around 3:30 and requested Assistant Secretary Perkins to take the chair. He asked that the labor representatives indicate, as specifically as they could, the ways in which the Department might be helpful.

Again Mr. Green led off by asking for the assistance of the Department in getting consultative status in ECOSOC for the International Confederation of Free Trade Unions.[17] Somewhat more generally he asked for closer cooperation between the Department of State and U.S. labor organizations.

Mr. Carey pointed to the interest of U.S. labor organizations in the President's Point IV program,[18] recalled the constructive role which U.S. labor had played in formulation of the Marshall Plan program and suggested a conference on Point IV between U.S. labor representatives and appropriate Departmental personnel.

Mr. Carey also indicated that U.S. labor organizations would like to play host to an early conference of the new Confederation but observed that existing immigration legislation and regulations would make it extremely difficult by excluding a number of delegates who, though friendly and completely reliable, might be open to a charge of being Communist or otherwise excludable on political grounds. He

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[17] At a plenary meeting on March 3, 1950, during its Tenth Session, the United Nations Economic and Social Council unanimously decided to grant Category A Consultative Status to the International Confederation of Free Trade Unions. Prior to the voting, the Representative of the United States joined a number of other representatives in expressing full support for the proposal to grant such status to the ICFTU.

[18] In his inaugural address on January 20, 1949, President Truman proposed as point four of basic United States policies a new program of aiding in the development of underdeveloped areas. Documentation on the genesis of the Point Four program is printed in *Foreign Relations*, 1949, vol. I, pp. 757 ff.

made a specific appeal for assistance on the part of the Department to overcome these difficulties.[19]

Mr. Doherty commented upon the importance of having an increasing number of labor attachés drawn from the ranks of labor.

[CLEON O. SWAYZEE]

[19] In letters of February 17, 1950, to Mr. Green, Mr. Carey, and Mr. Reed, none printed, Secretary of State Acheson stated that it did not appear feasible to officers of the Department of State currently to seek changes in the basic immigration legislation in order to facilitate visits to the United States by foreign trade unionists in connection with the work of the ICFTU. The Department of State felt that it would be possible, however, under existing legislation, to take care of requests for admission of ICFTU officials. In his letters, the Secretary of State observed that he found the meeting of January 6 most encouraging and instructive and wished the ICFTU every success (800.062 ICFTU/2-1750).

740.5 MAP/1-2350 : Telegram

The Chargé in the United Kingdom (Holmes)[1] *to the Secretary of State*

SECRET LONDON, January 23, 1950—7 p. m.

373. Tomap.[2] From EDECC.[3] Believe numerous evidence of determined Communist intent organize strikes against unloading and transportation MDAP equipment and effort being put into organizing militant "defense of peace" groups requires positive consideration and action by appropriate US agencies. See pertinent cables from Rome, Paris, Brussels and others and, particularly, Rome's 231 to Department.[4]

[1] During the temporary absence of Ambassador Lewis E. Douglas, Counselor of Embassy Julius C. Holmes was in charge of the Embassy in the United Kingdom.

[2] Designation for telegrams dealing with aspects of the Mutual Defense Assistance Program.

[3] Executive Director, European Coordinating Committee. The European Coordinating Committee (ECC), the European regional coordinating committee of the Mutual Defense Assistance Program, was composed of Ambassador Douglas as Chairman and Gen. Thomas T. Handy, Commander in Chief of United States Forces in Europe, and Ambassador W. Averell Harriman, Special Representative in Europe for the Economic Cooperation Administration.

[4] Telegram 231, January 20, from Rome, not printed, reported that the Embassy fully expected port strikes, possibly nationwide, on the occasion of the arrival of initial military shipments to Italy under the Mutual Defense Assistance Program. (765.5 MAP/1-2050). During the first few months of 1950, the Embassies in Western Europe, particularly at Paris, Rome, Brussels, and The Hague, reported extensively on a Communist-directed propaganda campaign aimed at dock strikes, possibly accompanied by demonstrations and violence, against the shipment and unloading of the first installments of military supplies from the United States under MDAP. The Embassies indicated that the Communist-dominated World Federation of Trade Unions (WFTU) appeared to be playing an important role in organizing the campaign, and there were some reports that funds for the effort were coming from the Soviet Union. The first shipments of American military supplies under MDAP were unloaded in ports in France and Italy without significant incidents. Documentation on United States concern with the defense of Western Europe and on American military assistance through the North Atlantic Treaty Organization (NATO) is presented in vol. III, pp. 1 ff.

Department's circtel on information policy December 30, 3 a. m.,[5] properly stresses positive policy based on broad objectives MDAP but also briefly indicates "Communist propaganda themes cannot be ignored." Earlier ECC cables have also emphasized necessity keep strategy of MDAP information program positive and on broad basis but equally emphatically indicates our belief necessity of being on the ball at all times in the tactical handling of Communist propaganda. The present Communist peace campaign related to organization of strikes against MDAP shipments is an important case in point and if only noted with interest by US Government, instead of taking some counter steps, it can be detrimental basic understanding by Europeans of MDAP and NAT. We recognize that handling of strikes can only be done by governments and determined public but believe much can be done to avoid strikes altogether.

Some Embassy information and labor officers are actively working with and through government representatives and non-governmental leaders endeavoring provide non-Communist labor leaders, laborers themselves, and general public with persuasive information and educational material. However, Communist activity seems sufficiently important so that all appropriate Washington agencies, including Labor, should be working with Embassies to take timely measures to minimize its effectiveness. Excellent results for our side in Cherbourg indicate ground is favorable in most areas to defeat Communist program, but the ground should be plowed. This means positive action in Washington and in countries by country governments and Embassies. If we are to maintain initiative, must take action now.[6]

Sent Department 373, repeated Paris 110, Brussels 14, Rome 27; pouched other MDAP Embassies. [EDECC.]

HOLMES

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[5] Not printed.

[6] Telegram 315, January 23, to London, not printed, repeated to Paris, Rome, Brussels, and The Hague, suggested that J. A. Oldenbroek, either in his capacity as Secretary General of the International Confederation of Free Trade Unions (ICFTU) or as head of the International Transport Workers' Federation (ITF), or both, be consulted as to the most effective means of combating the anticipated Communist plans to disrupt the unloading of MDAP shipments in Western Europe. Assistance and advice to national and local non-Communist unions appeared to be appropriate and desirable (740.5 MAP/1–2350).

Telegram 364, January 26, to London, not printed, repeated to Paris, Rome, and Brussels, stated that the Department of State agreed that the possible Communist-inspired strike situation had to be met by the governments and trade unions in each area and with the means at hand. The Department felt that a judgment as to what measures were likely to be effective must come in the first instance from the missions concerned rather than from Washington, and that positive action would also have to be taken primarily in the field (740.5 MAP/1–2350).

Under Secretary's Meetings : Lot 53 D 250 : Documents

Paper Prepared in the Department of State [1]

SECRET [WASHINGTON,] February 14, 1950.
UM D-78

CONTINUANCE OF OPERATION OF THE "VOICE OF AMERICA" AT MUNICH

PROBLEM

To find ways and means of continuing the operation of the "Voice of America" medium wave relay transmitter at Munich after March 15, 1950, when it is expected the Copenhagen Plan for European broadcasting [2] will go into effect.

DISCUSSION

A practical effect of the European Broadcasting Convention signed at Copenhagen in 1948 was to strip Germany of its frequency assignments and increase the assignments to the Soviet Group of States. When implemented on March 15, 1950, the Copenhagen Agreement will result in a reduction of the broadcasting frequencies available to the U.S. Zone of Germany from 16 to 3. The three frequencies assigned will be shared channels, two of which are of poor quality and are "off the dial" of most standard broadcast receivers in Europe and, therefore, cannot be received.

The Department vigorously protested this drastic reduction prior to, during and subsequent to the Copenhagen Conference. The United States is not a signatory to the Copenhagen Convention. At Mr. Bevin's suggestion, this matter was discussed in Washington in No-

[1] According to a brief covering memorandum by William J. McWilliams, Director of the Executive Secretariat, this paper was submitted by the Bureaus of German Affairs and Public Affairs for the consideration of the Under Secretary's Meeting. The principal officers of the Department of State met frequently, often several times per week, under the chairmanship of the Under Secretary of State, as the "Under Secretary's Meeting" to consider important foreign policy questions. The questions were generally considered in terms of formal, numbered papers previously circulated to meeting participants. The paper printed here was considered by the Under Secretary's Meeting on February 15, 1950. According to the "Action Summary" of that meeting, not printed, no substantive objection was raised to this paper (Under Secretary's Meetings, Lot 53 D 250, Under Secretary's Meeting/Action Summaries). Lot 53 D 250 is a master file of records of meetings, documents, summaries, and agenda of the Under Secretary's Meetings for the years 1949–1952, as maintained by the Executive Secretariat of the Department of State.

[2] A European Regional Broadcasting Conference was held in Copenhagen in 1948 to develop a plan for the assignment of broadcasting frequencies in Europe. United States observers were admitted to the Conference but were not given an opportunity to present the frequency requirements for the United States areas of occupation. The Copenhagen Conference developed a frequency assignment plan which was inadequate for the essential requirements of the United States as an occupying power in Germany. The United States formally entered a reservation at the Copenhagen Conference to the effect that the United States would be unable to implement the allocation plan agreed upon by the majority of the countries at the conference.

vember 1949 with delegates from France and England, but without success. Neither the French nor the British Delegations were willing to discuss deviation from or modifications to the Plan or the sharing or lending to the United States of any of the frequencies assigned to them under the Copenhagen Plan.

On January 3, 1950, a U.S. note[3] was delivered to all non-Soviet Bloc European countries, with the exception of Finland and Spain, which restated the background of the Copenhagen Meeting, and defined the broadcasting services which the U.S. considers essential to maintain in the U.S. Zone of Germany. The "Voice of America" relay station at Munich is one of these services. The notes concluded by asking the assistance of these countries in making frequencies available to the U.S. for its operations in Germany. To date, the U.S. Government has not received a reply to its note from any country.[4]

In view of these developments, and in view of indications that the Copenhagen Plan will be put into effect on March 15, 1950 by the majority of European nations, the Department, together with the Office of the U.S. High Commissioner for Germany, has worked out a contingency plan for the continuation of United States broadcasting in Germany based, *inter alia*, on the following assumptions:

1) Continuation of all existing services;
2) Full utilization of the few assignments to the U.S. Zone;
3) Minimum sharing of frequencies with Western European countries, and protection of Western European transmissions by means of directional antenna wherever possible;
4) Sharing of frequencies with Eastern European countries but not to such an extent as to cause serious or disabling interference within the national boundaries of these countries;
5) Maximum use, on a contingency basis, of channels which will not be utilized fully by the countries to which assigned because of lack of transmitting equipment.

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[3] The note under reference here was delivered to Belgium, Denmark, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, the United Kingdom, and France on January 3, 1950, and soon thereafter also to Egypt, Turkey, Sweden, and Switzerland (399.40/1–550).

[4] An informal conference of representatives of interested Western European nations was held in London, February 16–18, 1950, at the invitation of the United Kingdom, to consider problems arising from the contemplated implementation of the Copenhagen European Broadcasting Plan of 1948. The conference was the direct result of the efforts by the Department of State to impress upon the nations of Western Europe the importance of American and German broadcasting requirements in Germany and of the firm intention of the United States to operate certain broadcasting services. In a letter of March 7 to Secretary of Defense Louis Johnson, not printed, Secretary of State Acheson commented as follows on the London conference:

"The results of this conference are encouraging to the extent that most of the representatives of the affected Western European countries indicated sympathy to the U.S. and German requirements and their intention to assist on the technical level in finding means to meet these requirements." (399.40/1–650)

Within these criteria, the contingency plan which has been developed contemplates the continuation of the "Voice of America" medium wave relay transmitter at Munich on its present frequency (1196 Kc.). This frequency is assigned to the French Zone of Germany and to Greece under the Copenhagen Plan.

Broadcasts relayed by the Munich transmitter are beamed in several directions according to the language being broadcast. When the transmitter is beamed towards Moscow and Northern Europe the Greek station will probably be adequately protected by the existing directional antenna. At other times there would, however, be considerable interference in Greece, especially during hours of darkness. But, according to present information, there is no Greek transmitter available for use on this frequency.—It will, however, not be possible to protect the broadcasting station in the French Zone of Germany.

Consideration has been given to changing the frequency of the VOA relay transmitter. However, any significant change in frequency would entail an estimated minimum expenditure of $100,000 and would require approximately six months' time for completion. During this period the "Voice of America" would be off the air on the medium wave band in Europe. A large number of listeners would be lost. Due to its high power, the "Voice of America" transmitter cannot broadcast on any heavily shared frequency. Furthermore, there are no clear channels available for the use of this transmitter because they have all been assigned to other countries. During the course of recent conversations, the French Delegation was informally advised that the United States intended to continue to use the frequency presently assigned to the "Voice of America" transmitter.

RECOMMENDATION

It is recommended that the "Voice of America" medium wave relay transmitter at Munich continue to broadcast on its present frequency. It is further recommended that the U.S. High Commissioner for Germany inform the French High Commissioner of this decision on March 15, 1950. An informal understanding might be reached through the Information and Cultural Relations Sub-committee of the Allied High Commission that the French Government maintain a token occupation of the frequency through low power or off-hour operation in order to protect the French claim.

It is further recommended that the Department through the Assistant Secretary for Public Affairs immediately advise the French Embassy in Washington of the decision of the United States Government to continue the use of 1196 KC for the "Voice of America" medium wave relay transmitter at Munich.[5]

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[5] The Department of State advised the French Embassy on February 16 that the Voice of America would continue to broadcast from Munich on 1196 kcs. (511.404/2–1650) Telegram 879, February 24, from Paris, not printed, reported that the French Foreign Ministry officials had expressed disappointment over the decision (399.40/2–2450).

751.56/2–1650 : Telegram

The Chargé in the United Kingdom (Holmes) to the Secretary of State

SECRET LONDON, February 16, 1950—4 p. m.

900. Tomap. For FMASC [1] from ECC. Communist efforts obstruct handling and movement initial MDAP shipments greatest in France and Italy, but propaganda campaign against MDAP equipment is general and intense throughout Europe and has been merged into major Communist attack on whole NAT defense concept.[2]

Objectives of Communist strike campaign appear to ECC basically two-fold: (1) To instill doubts in minds European public as to objectives NAT and American policy, in order to weaken European NAT fabric, and (2) to convince US Congress and US public that European countries receiving military aid are so shot through with Communists as to be unreliable allies and MDAP is money and equipment down the drain.[3] This estimate of Communist intentions is convincingly presented in relation to France in Paris Embassy airgram number 148, February 3.[4]

Initial MDAP shipments offer Communists excuse dramatize situation in order work on Europe popular fear of war, highlighting alleged aggressive intent and provocative actions of US leading to American war with European cannon fodder. Physical interference with shipments is secondary objective and believe there are no Communist illusions as to success this effort, but violence in connection with safe movement arms might be welcomed by Communists.

ECC agrees US Government should not overtly enter into public handling this problem in Europe but at same time should make clear to European Governments its support and such cooperation, American public and private agencies as available.

ECC considers major element for Communist defeat lies in patriotic counter action by non-Communist labor, such as recent ITF resolution London exposing unpatriotic goals Communist elements and asking patriotic cooperation of workers, and other ITF and national

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[1] Foreign Military Assistance Steering Committee, an interdepartmental committee composed of Secretary of State Acheson as chairman, Secretary of Defense Louis Johnson, and Economic Cooperation Administrator Paul G. Hoffman.

[2] Regarding the compaign under reference in this paragraph, see telegram 373, January 23, from London, p. 264.

[3] Telegram 218, February 21, from The Hague, not printed, agreed with the analysis presented here but suggested a third important objective of the Communist-led propaganda campaign—the paralysis of Western European peoples with the fear of eventual Soviet retaliation for the establishment of the North Atlantic Treaty (756.5 MAP/2–2150).

[4] Not printed.

labor preparations to defeat Communist plans through organized worker opposition.[5]

Appears to ECC that Communist skating on thin ice by asking followers thrust aside national loyalties. Strike campaign may be made to boomerang through exposure Soviet political objectives behind it, with consequent reduction Communist following, strengthening Titoist tendencies European Communist Parties, and increase in resolve anti-Communist majorities.

In relation to strike problem ECC recognizes difficulties of maintaining regular flow shipments of US arms after initial shipments arrive. However, owing psychological importance regular deliveries both regarding effect of intermittent unemployment on attitudes of port workers and continuity their non-Communist organizations to oppose strikes, ECC urges extraordinary effort to close hiatus in shipments to France, Italy, and Belgium once they are begun, even if additional expense or provision additional administrative facilities required. Same applies to provision of timely information initial and regular shipments and any special requests re shipments made by recipient countries.

Sent Department 900, repeated Paris 260 for Embassy and Harriman, Room 78, Copenhagen 34, Oslo 36, Brussels 44, The Hague 36, Luxembourg 8, Frankfort unnumbered pass Heidelberg 32 for Handy.[6]

HOLMES

[5] The resolution described here was adopted by a Vigilance Committee of the International Transport Workers Federation at a meeting in London, January 23–24, 1950. Adoption of the resolution was reported upon in telegram 575, February 1, from London, not printed.

[6] Gen. Thomas T. Handy, Commander in Chief of United States Forces in Europe, had his command headquarters in Heidelberg, Germany.

700.001/2-2450 : Telegram

The Secretary of State to the Embassy in France [1]

CONFIDENTIAL WASHINGTON, February 24, 1950—8 p. m.

811. With view prevent propaganda initiative falling wholly to Commies, fol FYI only are Dept's plans handling question Peace Partisans delegation to US:[2] We will brief key members Congress

[1] This telegram was repeated to Rome, London, Brussels, Bern, and Moscow. It was drafted by Joseph N. Greene, Jr., of the Office of Western European Affairs.

[2] In mid-February the Embassy in France reported that the Communist-dominated "World Congress of Partisans of Peace" had announced in Paris that delegations would shortly visit Belgium, the Netherlands, Italy, France, the United States, Mexico, Guatemala, and the Soviet Union for the presentation to the parliaments of those countries of a petition calling for the cessation

for statements next week against admitting Peace Partisans group on grounds (1) proposed visit a brazen propaganda stunt alien to US democratic procedures (2) repetition meaningless "peace" proposals, and (3) UN is proper forum. We do not propose enter into detailed polemics over visa or other technicalities. Subsequently Dept will take same line to public and visa applicants.[3] Paper being prepared for Members of Congress will describe organization, sponsorship, purpose, delegation members and Dept's and field's recommendations.[4]

ACHESON

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of the armaments race and the prohibition of atomic weapons. The delegation scheduled to visit the United States included Spanish painter Pablo Picasso; Reverend Hewlett Johnson, Dean of Canterbury; Belgian atomic scientist Max Cosynx: and a number of other British, French, Italian, and Swiss political figures, savants, and artists, all of whom were reported to be Communists or Communist sympathizers.

[3] Regarding the statement issued to the press on March 3 concerning the Department of State's decision to refuse entry into the United States of the delegation representing the "Partisans of Peace," see the editorial note, p. 273.

[4] The paper under reference here has not been further identified.

511.004/3-150

Memorandum by the President to the Secretary of State

WASHINGTON, March 1, 1950.

I had a conversation with David Sarnoff [1] the other day, regarding the exploitation of the Voice of America.

He suggested a committee, consisting of himself, Senator McMahon,[2] Senator McFarland [3]—on account of his Chairmanship of the Subcommittee on Communications in the Senate, Under Secretary of Defense Stephen Early, and Assistant Secretary of State Barrett, to look into the problem of improving the Voice of America.

I wish you would consider that, and we will discuss it when you come over tomorrow.[4]

H[ARRY] S. T[RUMAN]

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[1] Chairman of the Radio Corporation of America.

[2] Senator Brien McMahon of Connecticut.

[3] Senator Ernest W. McFarland of Arizona.

[4] A marginal handwritten notation on the source text indicates that Secretary of State Acheson discussed this memorandum with President Truman on March 2; see also Assistant Secretary Barrett's memorandum of March 2 to Secretary Acheson, *infra*.

511.004/3-250

Memorandum by the Assistant Secretary of State for Public Affairs (Barrett) to the Secretary of State [1]

[WASHINGTON,] March 2, 1950.

Subject: The President's Request that you Discuss Today General Sarnoff's Proposal of a Committee to Consider How to Improve the Voice of America.[2]

David Sarnoff's proposal touches directly a problem I have been giving high priority: how to gear up this Government for an all-out effort to penetrate the Iron Curtain with our ideas. This is probably a broader concept than General Sarnoff's proposal to establish a high-level committee "to look into the problem of improving the Voice of America". I had thought of suggesting a Presidential directive to put top priority of the agencies of Government into immediate exploration of *all* techniques and resources for communication of ideas behind the Iron Curtain—including use of radio broadcasting.

I suggest you tell the President that Sarnoff's proposal has considerable merit, and that it is along the lines the Department has been exploring. However, in view of the possibility of an even broader approach being required under present circumstances, you would like to give the President within the next week a detailed plan for attacking the problem.[3]

E[DWARD] W. B[ARRETT]

[1] A marginal notation on the source text indicates that this memorandum was included in the Secretary of State's "White House Briefing Book" on March 2. The Secretary presumably used it during his conversation with the President referred to in footnote 4, *supra*.

[2] See the President's memorandum of March 1, *supra*.

[3] See Assistant Secretary of State Barrett's memorandum of March 6 to Under Secretary of State Webb, p. 274.

740.5 MAP/3-250: Telegram

The Secretary of State to the Embassy in the United Kingdom [1]

SECRET WASHINGTON, March 2, 1950—6 p. m.

955. Att ECC. Urtel 900 Feb 16.[2] Opinion here agrees with you that vigorous counteraction by non-Commie labor major element for producing Commie defeat in expected arms shipment strikes and considers ITF potentially most important internatl labor body in this

[1] This telegram was drafted by William N. Fraleigh of the Office of European Regional Affairs, Bureau of European Affairs, and was concurred in by H. F. Arthur Schoenfeld of the Mutual Defense Assistance Program. This telegram was repeated to the missions in Rome, Paris, Brussels, The Hague, Oslo, Copenhagen, Luxembourg, Frankfort, and Heidelberg.

[2] *Ante*, p. 269.

connection. Dept notes with special interest actions and statements by European non-Commies, such as vote of Ital seamen and portworkers favoring unloading described Rome tel 598, Feb 14.[3]

While fol policy of no direct US Govt intervention in arms strike question Dept has been discreetly in touch with AFL and CIO and finds full weight of Amer labor support being given publicly to MDAP. Curran[4] Pres. CIO Maritime Union and Ryan[5] Pres. AFL Longshoremen's Assoc have issued statements supporting MDAP. CIO Exec Board last week reaffirmed support of NAT. Green AFL will make supporting statement at time he considers appropriate. Similar statements may be expected from other labor leaders. Lyon,[6] US member ITF Exec, states he is actively engaged in raising funds from labor sources for ITF Vigilance Comite activities.

ACHESON

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[3] Not printed.

[4] Joseph E. Curran, President of the National Maritime Union, affiliated with the Congress of Industrial Organizations.

[5] Joseph P. Ryan, President of the International Longshoremen's Association, affiliated with the American Federation of Labor.

[6] Arlon E. Lyon, member of the Executive Committee, International Transport Workers' Federation.

Editorial Note

In a statement issued to the press on March 3, the Department of State announced that the 12-member delegation representing the "World Congress of Partisans of Peace," scheduled to arrive in the United States that same day in order to present a petition to Congress for the cessation of the armaments race and the prohibition of atomic weapons, would be denied entry into the United States. Members of the delegation were described as "either known Communists or fellow travelers" and therefore subject to exclusion from the United States under the immigration laws. The statement reviewed the expressions of concurrence by Congressional leaders with the action taken by the Department of State. The statement also gave a brief account of the announcement and sponsorship of the proposed visit, listed the membership of the proposed delegation, provided a brief background of the "Partisans-for-Peace" movement which was characterized as the "leading over-all Communist-front organization in the world" and a "major Soviet instrumentality for propaganda and political pressure", and analyzed the program and methods of the "Partisans for Peace". For the text of the statement, see Department of State *Bulletin*, March 13, 1950, pages 400–402.

511.004/3-650

Memorandum by the Assistant Secretary of State for Public Affairs (Barrett) to the Under Secretary of State (Webb)[1]

SECRET [WASHINGTON,] March 6, 1950.

Subject: Taking the propaganda offensive

One field in which we can definitely take bold affirmative action is in the propaganda-information field. Here are my preliminary recommendations: Make an announcement to the effect that, while the Russians have made it exceedingly difficult for us to negotiate with their government, we can at least do everything possible to talk to their own and the satellite peoples. In pursuance of this objective, we propose three immediate steps:

1. Speed up the present program to throw additional transmitting equipment into the war of ideas in order to overcome Soviet jamming, etc.

2. Quickly coordinate with BBC and the few other free-nation facilities capable of reaching the Iron Curtain areas on a bold new propaganda offensive. In this, every free-nation transmitter capable of getting behind the Iron Curtain would be put on the air simultaneously on a single program called "The Voice of Freedom." It would be a basic 15 minute program (probably 10 minutes of news and five minutes of "message") rebroadcast in each of the important languages of the Iron Curtain area—taking up probably a total of two hours. For psychological as well as practical reasons, the preparation of the script would be coordinated in London. Wartime experience convinces me this is feasible though difficult. We would utilize not only voice but also slow Morse transmissions, recognizing that there are many in the Soviet Union who know Morse code.

3. Follow up the President's tentative suggestion by appointing a new high-level committee of Sarnoff, etc., to look for added means of getting the truth behind the Iron Curtain.[2] This would not confine itself to radio but would look into such proposals as the hardy peren-

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[1] A marginal handwritten notation on the source text indicates that a copy of this memorandum was included in the White House Briefing Book for Secretary of State Acheson on March 6. The proposal presented in this memorandum was one of the subjects discussed by Secretary Acheson with President Truman at their meeting on March 6, one of their frequent meetings to consider important foreign policy problems. According to a memorandum of conversation of March 6 by Secretary Acheson, not printed, he gave the President a brief outline of the proposal contained in the memorandum printed here. The President was much pleased and asked that the proposal be followed up vigorously. Secretary Acheson also informed the President that Assistant Secretary Barrett was working on a plan for an advisory committee along the lines suggested by RCA Chairman Sarnoff (Secretary's Memoranda, Lot 53 D 444, Secretary's Memoranda—March 1950). Lot 53 D 444 is a comprehensive chronological collection of the Secretary of State's memoranda and memoranda of conversation for the years 1947–1953, as maintained by the Executive Secretariat of the Department of State.

[2] See the memorandum of March 1 from the President to Secretary Acheson, p. 271.

nial of utilizing balloons to drop leaflets. The President might also direct the appropriate research organizations of the Government to give priority to assisting this commission in technical studies and technical research.

[Edward W. Barrett]

511.004/3-950

Memorandum by the Assistant Secretary of State for Public Affairs (Barrett) to the Secretary of State

SECRET [Washington,] March 9, 1950.

Subject: Your Remarks to the President today on taking the Propaganda Offensive.[1]

After much staff consultation including a session until late last evening, I find further work is required to coordinate the multiple interests of key people here and elsewhere on the several elements in our tentative proposals for taking the propaganda offensive which you discussed with the President on Monday.[2] We suggest you tell the President that this proposal is being followed up vigorously; that you will soon be able to send him at Key West concrete and definite plans and a proposed announcement for carrying out the proposals; that you hope he will find it possible to decide on such plans even before his return to the White House.

We are completing the following steps:

1. *Speeding up the present program for throwing additional transmitting equipment into the effort to overcome Soviet jamming.* I have approved plans this week for sending a special technical negotiator to Europe to find the most rapid means for getting authorized facilities for expansion of our international broadcasting into operation, and to explore possibilities of getting immediate use of additional transmitters under lease from the governments of France and Monaco.

2. *Development of a staff paper proposing the means of establishing sufficiently high priorities for intelligence and research measures in support of the Voice of America by the various Government agencies*

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[1] The proposed American propaganda offensive was one of the subjects discussed by the Secretary of State with President Truman at their meeting on foreign policy problems on March 9. According to the Secretary's brief memorandum of conversation of March 9, not printed, he reported to the President along the lines set forth in the memorandum printed here and promised to have recommendations for the President shortly after his arrival in Key West (Secretary's Memoranda, Lot 53 D 444, Secretary's Memoranda—March 1950). The President vacationed briefly in Key West, Florida, in mid-March 1950. In a memorandum of April 3 to President Truman, not printed, Secretary Acheson forwarded a memorandum prepared by Assistant Secretary of State Barrett outlining a series of practical steps to implement the ideas discussed with the President on March 9 to strengthen the Voice of America and the total information efforts abroad. The Barrett memorandum has not been found in Department of State files (511.004/4-350).

[2] March 6; see footnote 1, *supra*.

concerned.[3] We propose that the President request the National Security Council to give urgent consideration to the problem of technical and intelligence support for guidance on ways to strengthen the Voice of America, through NSC creation of an *Ad Hoc* Committee especially constituted to make such a rapid review.

3. *Preparation of an announcement by the President that he has determined to step up every means of getting understanding of our peaceful purposes through the Iron Curtain.* The announcement would include reference to the accelerated program for expansion of Voice of America facilities; to the request to agencies of the Executive Branch to give high priority to study of the technical means for conveying ideas through the Iron Curtain; and to a request by the President to General Sarnoff to head a distinguished group of private citizens to perform as rapidly as possible a technical advisory job on the findings and proposals arising from the study requested by the President from the agencies of the Executive Branch. (This last will have to be handled carefully to avoid offending the existing committee headed by Mark Ethridge.[4])

With respect to the tentative suggestion I made for coordinating with the BBC and other free nation facilities for reaching Iron Curtain areas on a bold new propaganda offensive, perhaps styled "The Voice of Freedom", I find political objections and will have to explore this further with the political officers and Dean Rusk, before making final recommendations.

[Edward W. Barrett]

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[3] See document UM D-87, March 22, p. 279.

[4] In his memorandum of April 3 to President Truman (see footnote 1, above) Secretary Acheson explained that the Department of State had consulted with Mark F. Ethridge, publisher of the Louisville *Courier-Journal* and the Louisville *Times* and Chairman of the United States Advisory Commission on Information, regarding the Sarnoff proposal (see the memorandum of March 1 from the President to Secretary Acheson, p. 271). Ethridge agreed that such a new committee should be set up as an advisory body to work with and advise the Government's technical staff group under the National Security Council. The list of names for the proposed committee and a draft statement by the President, both transmitted to the President as attachments to the April 3 memorandum, have not been found in Department of State files.

Editorial Note

The Third Session of the Permanent Committee of the World Congress of Partisans of Peace was held in Stockholm, March 15–19, 1950. (Regarding the attitude of the Department of State toward the Partisans of Peace movement, see the editorial note, page 273.) The meetings were extensively reported upon in telegrams from the Embassy in Stockholm (included in Department of State files 600.001 and 700.001), and a voluminous report on the session and its aftermath in Sweden was submitted to the Department in despatch 359, October 4, 1950, not printed (700.001/10-450). The session, which was

attended by some 130 to 150 persons including many well-known Communists and Communist sympathizers from outside the Communist bloc of nations, was prepared and organized by the Swedish Communist Party and its nominally separate "Swedish Peace Front". The meetings of the session, under the chairmanship of French atomic scientist Frederic Joliot-Curie, were largely given over to anti-American speeches. For a summary report on the initial impact within Sweden of the session, see telegram 381, March 22, from Stockholm, *infra*. Following the adjournment of the session, the Communist press published three resolutions attributed to the meetings but not known actually to have been discussed there. The principal resolution—the so-called "Stockholm Peace Appeal"—reads as follows:

"We demand the unconditional prohibition of the atomic weapon as a weapon of intimidation and mass extermination of people.

"We demand the establishment of strict international control over the implementation of this decision.

"We consider that the Government which first uses the atomic weapon against any other country will commit a crime against humanity and shall be regarded as a war criminal.

"We call upon all people of good will all over the world to sign this appeal."

Two other resolutions were also announced. One dealt with an appeal for the convening of a new World Peace Congress and the other dealt with the award of "International Peace Prizes".

The "Stockholm Peace Appeal" soon became the object of a worldwide Communist "Signatures for Peace" campaign. Regarding the assessment of and response to this "Signatures for Peace" campaign by the United States Government, see the second editorial note, page 315, and Special Information Guidance Paper No. 50 of July 27, page 320.

600.001/3–2250 : Telegram

The Ambassador in Sweden (Matthews) to the Secretary of State

CONFIDENTIAL STOCKHOLM, March 22, 1950—2 p. m.

381. Deptel 129, March 1.[1] As may have been noted from Embassy telegrams, Stockholm "peace congress"[2] was publicized in favorable light only by few Communist stooges and party press and the silent treatment was given it by all responsible press organs regardless of party during its sessions. What little publicity has been given by non-

[1] Not printed; it stated that background materials on the Partisans-of-Peace movement were being sent to the Embassy, and it requested as complete reportage as possible on the forthcoming meetings in Stockholm (600.001/2–1750).

[2] See the editorial note, *supra*.

Communist leaders and organs has been sharply critical and designed to expose fraudulent character of the congress as peace instrument and its complete subservience to Moscow interests.

From available evidence I would conclude that total impact of Swedish public opinion has been very small and that the efforts of the non-Communists in attacking the congress specifically and exposing the danger of Communist machinations generally have as far as Swedes are concerned more than outweighed the effects of the congress itself. This result may be attributed to a combination of the following:

1. Background materials supplied the Embassy have been very helpful in "educating" friendly editors and others who have made good use of facts not readily available to them elsewhere. Press editorials have relied heavily on these materials.

2. The non-Communist press and radio have followed general policy suggested by Swedish Foreign Office of silence on news reporting of congress' activities (against which silence Communist *NY Dag* indignantly protested) while giving favorable reporting attention to critical statements by individuals or resolutions and meetings of opponents. In addition, editorial pages reserved for occasional sharp attacks on sincerity and purposes of congress leadership.[3]

3. Several groups formulated and publicized protests against the congress. These included long list prominent Swedes signing statement drafted by Riksdag member Ture Nerman; the Baltic refugees in Stockholm who held protest meeting; both Social Democrat and Liberal Youth organizations who issued protest declarations and lastly large protest meeting jointly sponsored and held in Stockholm theatre March 19.

4. During congress sessions both liberal *Dagens Nyheter*, Sweden's largest newspaper, and semi-official Social Democrat *Morgon Tidningen* featured on front pages long articles devoted to exposure of Communist menace in Sweden and emphasizing Moscow subservience of party. Communist *NY Dag* bitterly noted this "synchronized campaign".

Above summary, of course, takes account only of impact of congress on Swedish public. We realize naturally that congress had far broader and more serious purposes than to impress Swedes.

Sent Department 381; repeated Paris 83, London 54, Rome 6; pouched Moscow, Oslo, Copenhagen.

MATTHEWS

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[3] Telegram 298, March 7, from Stockholm, not printed, reported that the Swedish Government was considerably embarrassed over the holding of the "peace congress" in Stockholm. Visa waiver agreements prevented the imposition of restrictions on the stay of delegates from many countries. The Swedish Foreign Ministry hoped that the non-Communist press in Sweden would give the conference very minor publicity (600.001/3-750).

Under Secretary's Meetings : Lot 53 D 250 : Documents

Paper Prepared in the Bureau of Public Affairs, Department of State [1]

SECRET [WASHINGTON,] March 22, 1950.

UM D-87

PRIORITIES FOR RESEARCH AND DEVELOPMENT, AND INTELLIGENCE TO OVERCOME SOVIET JAMMING

PROBLEM

To determine the means at our disposal to penetrate the Iron Curtain and counteract the effects of Soviet jamming of the Voice of America in order to expose the peoples of the Soviet Union and its Satellites to the maximum flow of information from the United States and the free world, and to provide:

a. Means whereby an appropriate priority will be provided for securing full intelligence and communications research and development necessary to overcome Soviet jamming.

b. Means for assuring the maximum coordination of all U.S. intelligence, research and development facilities in this field.

[Here follow sections entitled "Discussion" and "Conclusions" essentially identical with the same sections of the Report to the National Security Council by the Department of State, circulated as NSC 66, April 4, page 286.]

RECOMMENDATIONS

It is recommended that—

In view of the problems raised by Soviet jamming of the Voice of America, the National Security Council review and advise regarding,

1. The physical means at our disposal to penetrate the "Iron Curtain" and expose the peoples of the Soviet Union and its Satellites to the maximum flow of information from the United States and the free world.
2. Measures which might induce or compel the USSR to discontinue its jamming of the VOA.
3. The effectiveness and the probable consequences of utilization of each of these means.
4. The priority necessary in the field of communications research and development to meet the above requirements.

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[1] This paper was circulated to the Under Secretary's Meeting (see footnote 1, p. 266) under cover of a note by Executive Secretariat Director McWilliams which indicated that it had been prepared in the Bureau of Public Affairs for consideration by the Under Secretary's Meeting prior to transmittal to the National Security Council, and that the problem had been discussed orally by Secretary of State Acheson with President Truman. For the record of the Under Secretary's Meeting of March 24 at which the paper was discussed, see *infra*.

5. The priority and the coordinating measures necessary to the full provision of intelligence, including technical communications intelligence, required by the VOA and other designated units required in the effort to place information behind the Iron Curtain.

Under Secretary's Meetings: Lot 53 D 250: Minutes

Record of the Under Secretary's Meeting, March 24, 1950 [1]

SECRET [WASHINGTON, undated.]

PRIORITIES FOR RESEARCH AND DEVELOPMENT, AND INTELLIGENCE TO OVERCOME SOVIET JAMMING (D-87 [2])

Mr. Barrett gave an outline for the background of the communications problem created by Soviet jamming, stressing the need to bring to bear on the problem the best possible technical brains. He envisages a program involving the following three measures:

1. Stepping up the VOA program already operating
2. The action recommended in the present paper, UM D-87, i.e., referring the problem to the NSC and establishing a special staff group constituted by the NSC to study the question
3. Establishing a three-man technical advisory group of private citizens

Mr. Armstrong [3] agreed that the problem should be taken up by the NSC but felt that in referring it the Department should provide a more concise framework than that of UM D-87. Accordingly, he sent a revised series of recommendations and certain other changes to be made in the P paper. These recommendations provide for establishment by the NSC of an *ad hoc* committee under State chairmanship to consider the problem of jamming in relation to all of the related problems in the field of communications. Mr. Armstrong also added that Interdepartmental exploration of this problem should be immediately undertaken through the IAC to provide NSC study with more intelligence than is now available. Mr. Armstrong suggested that the R revisions would carry the Department and the Government further along the lines recommended by P than the P paper itself.

Mr. Hickerson [4] observed that the problem of jamming is of very direct interest to the International Telecommunications Union, which

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[1] This record was presumably prepared by the Executive Secretariat. Regarding the Under Secretary's Meeting, see footnote 1, p. 266.

[2] *Supra.*

[3] William Park Armstrong, Jr., Special Assistant to the Secretary of State for Research and Intelligence.

[4] John D. Hickerson, Assistant Secretary of State for United Nations Affairs.

meets in Florence this spring.[5] He said that unless our delegation to that meeting attempts to solve the problem of Soviet jamming through the ITU, it will be difficult to obtain Congressional support for further U.S. participation in this international body. Mr. Sargeant[6] said that in view of the many uncertainties connected with the future operations of ITU (it is not even certain that the Soviets will attend the Florence meeting) our delegation must not be given an inflexible program to pursue.

Mr. Rusk[7] expressed considerable doubt as to the advantages to be gained by referring this question to the NSC. He noted that for purposes of solving this problem the Department of State and particularly the members of the UM were in fact the NSC. He asked if the present authority of the Secretary of State in this field were not adequate to provide for interdepartmental study pointing towards a solution of the major issues involved. By throwing this matter into the NSC we needlessly expose ourselves to the threat of interdepartmental dispute as to the basic authority of the Department in this field.

Mr. Barrett and Mr. Armstrong felt that the first requirement in attacking this problem is the assignment of a high priority to the problem. They pointed out that other agencies working in communications had placed such low priorities on research dealing with jamming that we can count on very little interdepartmental action without Presidential direction on the basis of an NSC recommendation. Mr. Rusk suggested that if we do refer this problem to the NSC our paper should take the form of a proposed NSC directive based on our views as to how the problem should be solved. Mr. Sargeant, on the other hand, felt that until there is a considerable amount of study through an interdepartmental organization it is impossible to foresee exactly the nature of the recommendations which should govern the further efforts of the U.S. Government to overcome the effects of Soviet jamming. It was also agreed that the *ad hoc* group which undertakes this study for the NSC will consider the question of closer coordination with the U.K. in solving the problem of jamming.

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[5] The reference here is to the International High Frequency Broadcasting Conference, held first at Florence and then at Rapallo, Italy, April 1–August 19, 1950. This was an administrative conference convened within the framework of the International Telecommunication Union (ITU) for the purpose of carrying out the provisions of the International Telecommunication Convention of October 2, 1947. For a summary of the proceedings of the conference, see Department of State Publication 4216, *Participation of the United States Government in International Conferences: July 1, 1949–June 30, 1950* (Washington: Government Printing Office, 1951), pp. 156–159.

[6] Howland H. Sargeant, Deputy Assistant Secretary of State for Public Affairs.

[7] Dean Rusk, Deputy Under Secretary of State and Deputy Chairman of the Under Secretary's Meeting.

It was agreed that UM D-87 should be referred to the NSC, as amended to spell out more precisely the framework under which the NSC should consider the problem.[8]

[8] For the revised paper, circulated to the National Security Council as NSC 66, April 4, see p. 286.

Editorial Note

Ambassador to France David K. E. Bruce, Ambassador to Italy James C. Dunn, Ambassador to the United Kingdom Lewis W. Douglas, Ambassador to the Soviet Union Alan G. Kirk, Special Representative in Europe for the Economic Cooperation Administration W. Averell Harriman, High Commissioner for Germany John J. McCloy, and their advisers met in Rome, March 22–24, 1950, under the chairmanship of Assistant Secretary of State for European Affairs George W. Perkins as a "Meeting of Ambassadors" to discuss important European foreign policy problems. Among the points generally agreed upon during the meetings were the following: (1) rapid development of anti-Communist activities on an expanded scale; (2) the launching of a vigorous propaganda offensive designed to deprive the Soviet Union of the initiative gained through its peace campaign and to recapture for the West the leadership in the world movement for peace; (3) recapturing the propaganda initiative by means of an enunciation of principles of peace by the North Atlantic Council at its forthcoming meeting in May. Documentation on the meeting of United States Ambassadors in Rome, March 22–24, 1950 is included in volume III, pages 795 ff.

124.05/3-2950: Circular Instruction

The Secretary of State to Certain Diplomatic and Consular Offices[1]

CONFIDENTIAL WASHINGTON, March 29, 1950.

The Secretary of State refers to the problem of dealing with individuals and organizations in countries where Communists are active. This problem is especially acute for those officers whose duties bring them into contact with pro-Communist groups, as is true, for example, in the information field.

[1] This circular instruction was sent to 79 diplomatic and consular posts around the world. It was drafted by the Program Planning and Evaluation Staff of the Bureau of Public Affairs, redrafted by the Division of Foreign Service Personnel of the Office of Personnel, and was cleared by appropriate offices of the Department of State.

The Department's attention has been called specifically to the dilemma of some USIE officers when opportunities arise to establish contact with Communist or Communist-dominated organizations.

Experience indicates that such organizations occasionally contain individuals who have taken the protective coloration of Communist affiliation but whose real allegiances may not be fully formed. Sometimes there are opportunities to reach persons in organizations which Communists are still attempting to capture. It is only by taking advantage of any opportunities which do arise that we can expose these individuals to our point of view and retain a chance of influencing their opinions and perhaps other persons through them. Maintaining contact with these groups also enables us to gain a much better picture of the intellectual and social currents in a country than we could by confining our contacts to avowedly friendly groups. It is often through the kind of personal contacts which a USIE officer can make that potentially friendly persons are able to break through the official stand against anything American.

The Department realizes that the few Communist, Communist-controlled, or Communist-infiltrated organizations which request or would accept USIE materials and services may do so just to remove such materials from the market or that they may attempt to pervert our works to their own ends.

However, it is the position of the Department that our field officers are able to investigate these cases and that they can, with the help of the missions' services, distinguish between a bona fide propaganda opportunity and a trap. Furthermore, every officer sent abroad is expected to be sufficiently alert and mature so that he will not be contaminated by professional contacts with Communists or suspected Communists and to maintain his contacts with these individuals and groups only on a professional level.

In stressing the desirability of putting our information materials into pro-Communist hands whenever there is a reasonable expectation that we will derive some benefit, the Department would like to emphasize that such work should not be undertaken if there is a real risk of neglecting or antagonizing audiences of greater tactical importance and of demonstrated integrity.

All officers who do undertake to work with Communist groups are instructed to obtain the approval of the principal officer of the mission and to maintain the closest possible observation of the use to which our materials are put, and to submit special reports to the Department covering such operations.

The Department is most desirous in particular that USIE relations with Communist groups be conducted in the manner here described

and not, as has been the case at a few posts, by the proscribing of all contacts between USIE officers and Communist organizations.

Chiefs of missions are requested to circulate this instruction to all officers whose work may bring them in touch with pro-Communist groups.

[DEAN ACHESON]

800.062–ICFTU/3–3150

Memorandum of Conversation, by Mr. Cleon O. Swayzee, Labor Adviser, Office of the Assistant Secretary of State for Economic Affairs

RESTRICTED [WASHINGTON,] March 31, 1950.

Participants: The Secretary
J. H. Oldenbroek, Secretary General, International Confederation of Free Trade Unions
Cleon O. Swayzee, Labor Adviser, Office of Assistant Secretary for Economic Affairs

The Secretary congratulated Mr. Oldenbroek on his election as Secretary General of the newly organized International Confederation of Free Trade Unions (ICFTU) and indicated that he appreciated the responsibility and magnitude of the problems involved. The Secretary further expressed the Department's sympathetic interest in the development and program of the new organization.

Mr. Oldenbroek expressed the belief that the Communist threat, though still serious, was on the wane, with France and Italy remaining the most difficult countries. He expressed the belief that most French workers, though not Communist, had no basic organizational loyalty consciousness and presented a more difficult problem than Italian workers. He said further that his own problems were more difficult because the French Government would take no action against the Communist dominated French General Confederation of Labor.

Mr. Oldenbroek reported that the Communists were concentrating their efforts among maritime workers and dockers and reviewed the counter campaign organized by the International Transportworkers Federation.

Mr. Oldenbroek indicated that the ICFTU had supported most U.S. foreign policy, noting especially ERP, NAT, Point IV, and economic integration. In this latter connection he pointed to difficulties growing out of his belief that Europeans are no longer adventurers; that job security was uppermost in their minds and that they resisted changes which might impair present security.

Mr. Oldenbroek reported the resolution passed by the recent ICFTU Emergency Committee meeting in Brussels [1] condemning the Franco regime and opposing modification of the 1946 UN resolution. He indicated further that feeling among workers was so strong on the subject that the ICFTU could not change its position, even if the leadership were convinced of its desirability. He left a copy [2] of the resolution with the Secretary.

The Secretary reviewed the Department's position as stated in his letter to Senator Connally.[3]

[Cleon O. Swayzee]

[1] The meeting under reference here was the first session of Emergency Committee of the ICFTU held in Brussels, March 16–18, 1950. At the session complete support was given to the North Atlantic Alliance as an instrument of defense against aggression and it was agreed to undertake cooperative measures with the International Transport Workers Federation to act against Communist interference with the unloading of American arms in Western European ports.

[2] Not printed.

[3] For the text of the Secretary of State's letter of January 18, 1950, to Senator Tom Connally reviewing United States relations with Spain, see the Department of State *Bulletin*, January 30, 1950, pp. 156–159. The text of the letter is also printed in *Foreign Relations*, 1950, vol. III, p. 1549.

S/P–NSC Files :Lot 61 D 167 : NSC 66 Series [1]

Note by the Executive Secretary of the National Security Council (Lay) [2]

SECRET [Washington,] April 4, 1950.

NSC 66

Support for the Voice of America in the Fields of Intelligence and of Research and Development

At the request of the Secretary of State the enclosed report on the above subject, prepared by the Department of State, is transmitted herewith for consideration by the National Security Council, the Secretary of the Treasury, and the Chairman, Federal Communications Commission.

The Secretary of State, in transmitting the enclosure, stated that the most urgent need is to provide means whereby a sufficiently high priority is established for securing research and intelligence necessary

[1] Lot 61 D 167 is a serial file of memoranda relating to National Security Council questions for the years 1950–1961, as maintained by the Policy Planning Staff of the Department of State.

[2] This note and the enclosed report were circulated to the National Security Council and to the Secretary of the Treasury, the Chairman of the Federal Communications Commission, and the Director of Central Intelligence, under a cover page entitled "A Report to the National Security Council by the Secretary of State on Support for the Voice of America in the Fields of Intelligence and of Research and Development, April 4, 1950".

to overcome Soviet jamming of the Voice of America. He suggested that a special staff group might be constituted for this purpose with representatives of the Department of State, the Department of Defense, the Federal Communications Commission, the Central Intelligence Agency, and other agencies of the Government which have technical competence in this field.[3]

In accordance with the suggestion in the above paragraph, the Secretaries of State and Defense, the Chairman, Federal Communications Commission, and the Director of Central Intelligence are being requested in advance to designate representatives to prepare a report for consideration by the National Security Council, the Secretary of the Treasury and the Chairman, Federal Communications Commission, in the event that the recommendations in the enclosure are approved.[4]

JAMES S. LAY, JR.

[Enclosure]

Report to the National Security Council by the Department of State [5]

SECRET [WASHINGTON, undated.]

SUPPORT FOR THE VOICE OF AMERICA IN THE FIELDS OF INTELLIGENCE AND OF RESEARCH AND DEVELOPMENT

THE PROBLEM

1. To determine the means at our disposal to penetrate Soviet jamming of the Voice of America, and to establish the appropriate priorities to provide support for the Voice of America in the fields of intelligence and of research and development.

DISCUSSION

2. *The Effect of Soviet Jamming of the Voice of America.*

a. Considerable evidence is available that prior to the Soviet jamming, the Voice of America had become an effective means of supplying information of the free world to the peoples of the Soviet Union and its Satellites.

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[3] This paragraph is a paraphrase of a memorandum of April 3 from the Secretary of State to Executive Secretary Lay, not printed (S/P–NSC Files, Lot 61 D 167, NSC 66 Series).

[4] The enclosed report was not considered at a National Security Council meeting. In a memorandum of April 4 for the Council, not printed, Executive Secretary Lay requested that each Council member indicate his action with respect to the report by completing and returning a prepared memorandum form. The Secretary of the Treasury and the Chairman of the Federal Communications Commission were requested separately to indicate their action with respect to the matter. Lay's memorandum also requested the designation of the representatives mentioned here (S/P–NSC Files, Lot 61 D 167, NSC 66 Series).

[5] For an earlier version of portions of this paper, see document UM D–87, March 22, p. 279.

b. Present trends in our relations with the Satellite governments (i.e., the suspension of relations with Bulgaria, the closing of our information offices in Rumania, etc.), indicate that the Voice of America may shortly be the only overt means now in use by which we can attempt to reach the peoples of those countries; and while jamming has been limited to date to VOA and BBC Russian-language broadcasts, interference with programs to the Satellite areas is possible and probable.

c. The history of Soviet jamming activity, since it became an all-out operation in April, 1949, is one of thorough and systematic organization and application of steadily increasing resources, indicating a major effort on the part of the USSR. It has been successful to the point where, notwithstanding the greatly increased effort of the Voice of America, a much reduced percentage of the former audience is being reached. If carried to a conclusion, the Soviet jamming effort could virtually disrupt all forms of international radio communications.

d. Recent information indicates that Soviet development of a new technique of jamming which, now in limited use, holds the potential of even more effectively blocking the information addressed to the people of the USSR and nearby countries through the VOA. This new technique, if backed by transmitters of sufficient power (now being built, according to our intelligence sources), could deny the reception by almost all European home receivers of any program other than that originating in the USSR.

e. The USSR and its Satellites, in addition to their jamming efforts, are taking advantage of post-war frequency negotiations to silence VOA relay broadcasting facilities located outside the United States and its territories. The priority of the mission of the VOA and its resultant requirement for frequency allocation has not clearly been established to the satisfaction of all agencies of this Government.

3. *The Effort to Counteract Soviet Jamming.*

a. The Department of State is presently undertaking a comprehensive facility program which seeks to enable VOA to break through Soviet jamming. However, no comparable research effort has yet been established pointed at the problem of achieving an understandable signal under all conditions in existing receiving sets of foreign populations which, not being under our control, cannot be modified or replaced. Although the Research and Development Board of the Department of Defense has been cooperating with this Department, its planned research in this field is pointed almost wholly toward counter-jamming (retaliatory jamming of electronic devices and communications of any potential enemy), and anti-jamming (protection of our electronic devices and military communications from jamming).

b. While no attempt at retaliatory jamming of Soviet broadcasts or the control signals of their jamming network has been made by the VOA, serious consideration has been given to this as a possible measure to force the USSR to desist.

c. The Department has not received sufficient intelligence on Soviet jamming to guide its efforts in attempting to penetrate Soviet jamming. The present surveillance of the radio spectrum by U.S. intelligence and monitoring agencies is insufficient to provide necessary data or to assure that the USSR is not even now developing and testing more effective jamming techniques.

4. *Requirements of the VOA in the Fields of Communications Research and Development.*

a. The basic means to meet the research requirements of the VOA exists at present in the Research and Development Board of the Department of Defense. However, the lack of a clearly recognized priority for the VOA requirements will hamper the effective utilization of research and development facilities as presently organized.

b. At present there exists no authoritative interdepartmental mechanism through which a definitive priority for the required research effort can be established.

5. *The Requirements of the VOA in the Intelligence Field.*

a. An adequate intelligence effort in support of the VOA would require a coordinated program, among all intelligence agencies, to collect and associate relevant data from both monitoring and non-monitoring sources. This would involve an allocation of resources among the available monitoring facilities and daily close coordination in the use of these facilities. It would be necessary to arrange direct channels for passage of intelligence to the VOA.

b. The facilities to meet those requirements do exist at present among the intelligence agencies and monitoring facilities of the Government. The monitoring facilities would include the Federal Communications Commission, Foreign Broadcasting Information Bureau, . . .

c. The intelligence effort in support of the VOA has been inadequate largely because of the lack of a priority relative to other intelligence tasks and the absence of a clearly established program to coordinate intelligence activities in this connection.

6. *Inter-relationships between VOA and other Communications Counter-Measure Problems.*

a. The inter-relationship of the VOA problem to the total communications problem of the Government is well illustrated by the possibility that the present VOA efforts may be serving as a maneuvering ground for the Soviets in (*a*) development of their own communications and jamming techniques including the training of large num-

bers of personnel, and (*b*) Soviet investigation of our capabilities to take counter-measures. A continuation of the VOA penetration projects may prematurely commit this Government to a counter-jamming war in all governmental and commercial fields of communications.

b. Because of these factors and the requirements of other communications and intelligence programs, as well as related questions of security and communications policy, the Department of State has encountered reluctance among other agencies and activities to establish a high priority in support of the VOA requirements.

CONCLUSIONS

7. Soviet jamming of the VOA has become a serious obstacle to our reaching the people of the USSR with information of the free world. Extension of jamming to programs directed at the peoples of the satellite countries is a strong probability and is in line with other measures being taken to reduce the passage of information behind the Iron Curtain.

8. The ever increasing jamming efforts by the USSR and our counter-measure actions could lead not only to the disruption of the free flow of information to all parts of the world, but also to the disruption of all forms of radio communication.

9. Greater support in the fields of intelligence, communication research and development, and frequency assignment must be given this problem if the VOA is effectively to penetrate present and probably future Soviet jamming.

10. Failure to obtain necessary support to the VOA has been due primarily to the lack of an adequate recognized priority for the project throughout the Government.

11. The establishment of a priority in support of the VOA can only be undertaken in the light of the close interrelation of this problem with other problems in the field of intelligence and of communications.

RECOMMENDATIONS

12. That the National Security Council establish a special staff group to consider and to recommend to the National Security Council the priorities in the fields of intelligence and of research and development necessary to enable the United States to penetrate Soviet jamming of the Voice of America.

a. The special staff group shall consider, among other problems related to penetration of jamming, (1) the development of means to penetrate jamming; (2) measures which might induce or compel the USSR to discontinue its jamming of the Voice of America; and (3) the effectiveness and probable consequences of the use of these means and measures.

b. This special staff group shall consist of a chairman designated by the Secretary of State and members designated by the Secretary of Defense, Federal Communications Commission, the Director of Central Intelligence, and such other departments and agencies of the Government as the Chairman may find to have direct technical competence in this problem.

13. That, upon receipt and review of the recommendations of this special staff group, the National Security Council establish the priorities adjustments required to provide support for the Voice of America in the fields of intelligence and of research and development.

Under Secretary's Meetings : Lot 53 D 250 : Documents

Paper Prepared in the Bureau of Public Affairs, Department of State [1]

SECRET [WASHINGTON,] April 6, 1950.

RETALIATORY ACTION AGAINST USSR AND SATELLITE RESTRICTIONS ON U.S. INFORMATION MATERIALS

PROBLEM

To determine what action should be taken to combat restrictions on the USIE program in the USSR and satellite countries in the light of Soviet policy to create conditions compelling the U.S. to withdraw diplomatic representation and close off other contacts.[2]

DISCUSSION

1. There is ample evidence that the USSR has determined to close off as completely as possible the normal avenues of communication between the Soviet world and the United States. The break in diplomatic relations with Bulgaria may be considered a test case, indicating the extremes to which the USSR is prepared to go in this respect.

2. The methods by which the USSR creates conditions leading to a break in relations or to a closing of other normal avenues of communication indicate a desire to put the onus for initiating such action on the United States. By compelling us to take such action, the USSR apparently hopes to further integrate the satellites into the Soviet system and to encourage belief among the satellite peoples that the U.S. has written them off as lost to the Western world. Apparently,

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[1] This paper, which was circulated to the Under Secretary's Meeting as document UM D-95, April 13, incorporates revisions of an earlier draft, dated March 8, made in response to suggestions from the Bureau of European Affairs. Documentation on the earlier draft and the various proposals for changes culminating in the revised version printed here are included in file 511.612.

This paper was considered by the Under Secretary's Meeting on April 17; see the record of that meeting, p. 302.

[2] Documentation on the restrictions imposed upon United States diplomatic and informational activity in Eastern European countries is included in the compilations on relations with Bulgaria, Czechoslovakia, Hungary, Poland, and Romania presented elsewhere in this volume.

the USSR further hopes to induce us to take actions on our own initiative which impose restrictions on the flow of information and ideas between the nations and peoples involved, in contradiction to our stated principles.

3. In view of the manifest Soviet strategy, as well as the psychological implications of keeping our missions in Iron Curtain countries and of maintaining the principle of freedom of information and movement, it is greatly to our advantage to hold on in the face of pressure and to maintain our representation and channels of communication as long as possible. Withdrawal, in addition to disappointing peoples within Iron Curtain areas, would also have an adverse public opinion impact on areas of special sensitivity such as Western Europe and possibly Southeast Asia. Likewise, initiative on the part of the U.S. which may be interpreted as abandonment of the principle of freedom of information would have an adverse effect.

4. In the application of presures, Soviet policy has begun to concentrate on restricting U.S. information materials and instruments. The USIE is threatened in Rumania [3] and the magazine *Amerika* is threatened in Czechoslovakia and the USSR.[4] It is likely the USSR reasons that this course will weaken the propaganda position of the U.S.

5. The question of retaliation in kind, in response to USSR pressure to close out U.S. information channels, has arisen in the Department. Although some form of counter-pressure may be necessary to prevent or delay action against the USIE or some of its materials, retaliation in kind would seem to be the least desirable tactic. If the above estimate of USSR intentions towards satellite contacts is accurate, retaliation in kind is unlikely to force a change in that policy. Retaliation in kind would seem to be in general an unwise course, since it is possible that it might increase, rather than decrease, the difficulties confronting the entire USIE program in the satellite countries and by so doing might inflict more damage on the U.S. than on Soviet Russia. Also, retaliation in kind would possibly deprive the U.S. of the ability to claim unqualified observance of the principle of freedom of information. Since the information media of the USSR and Soviet controlled countries in the United States are neither an important factor in the Communist propaganda program in the U.S. nor do they constitute a threat to the security of the U.S., they cannot be considered as a *quid pro quo* in trade for the more effective and more valuable USIE program in the Soviet world.

6. In addition to such delaying tactics of all kinds as may seem practical, such as re-negotiations, further inquiries, requests for clari-

[3] See the documentation on the restriction and harassment of the Legation in Romania, pp. 1052 ff.

[4] For documentation on the problems of the distribution of the magazine *Amerika* in the Soviet Union, see pp. 1074 ff.

fication, offers to change operation procedures, etc., a fruitful method for delaying the expected final close-out of U.S. missions and information services would seem to be an intensive propaganda campaign to bring to the attention of the world public the Soviet design for sealing off all the peoples within its control.

RECOMMENDATIONS

1. The objective of the U.S. should be to keep open for as long a time as possible all avenues of contact and communication between the U.S. and the governments and peoples of the Soviet world.

2. In furthering this objective, the U.S. should delay and frustrate as far as possible USSR efforts to isolate the Soviet world from the West, and should refrain from itself contributing to this process by closing off avenues of communication into the U.S.

3. In combatting Communist restrictions on USIE activities behind the Iron Curtain the U.S. should refrain from retaliation in kind. Exceptions if any would be made only under extreme circumstances and upon a determination by the Secretary that the greatest net overall benefit to U.S. interests would result from such retaliation.

4. The U.S. should make propaganda capital of its position in this matter, widely publicizing the USSR effort to isolate its captive peoples and its own efforts to counter this process in the interests of freedom of information and thought. Where it is found necessary to cancel the diplomatic privilege of, or otherwise restrict a USSR or satellite propagandist in the U.S., such action should be carefully related to the technical question involved, never to restriction of the freedom of information.

117.3/4–650

Memorandum of Conversation, by Mr. Robert P. Joyce of the Policy Planning Staff

SECRET

[WASHINGTON,] April 6, 1950.

Participants: Attorney General [J. Howard] McGrath
Mr. Peyton Ford, Department of Justice [1]
The Under Secretary of State, James E. Webb
Mr. Charles E. Bohlen [2]
Mr. Carlisle H. Humelsine [3]
Mr. Robert P. Joyce, Department of State

The Under Secretary opened the conversation by stating that difficulties had developed between the Departments of State and Justice

[1] Assistant to the Attorney General.
[2] Minister in France.
[3] Deputy Assistant Secretary of State for Administration.

relating to the latter's policy and procedures with regard to the admission into the United States of former members of the Communist Party.[4] Mr. Webb said that he felt sure that this matter could be adjusted and machinery set up which would ensure that these cases could be handled expeditiously as between the two Departments without the necessity of individual cases having to be taken up with the Attorney General personally. Mr. Webb went on to say that in carrying out its responsibilities, particularly in the field of psychological warfare, the Department considered that these former Communists were perhaps the most effective instrumentalities in combatting international communism and Russian imperialism. The Under Secretary then requested Mr. Bohlen, who had just arrived from Paris, to set forth his views in the light of the fact that many of these visa cases involving former Communists had arisen in the Paris Embassy.

Mr. Bohlen stated that by virtue of their having been themselves involved in the Communist apparatus, many of these former Communists were in the best position to expose the realities of how Russian-controlled international communism really operates. These former Communists were now the bitterest and most effective anti-Stalinists and their activities were causing great embarrassment to the Kremlin. Mr. Bohlen went on to say that the Communist apparatus had always endeavored to capture labor unions and labor organizations as well as the intellectuals as perhaps the two most important spearheads in the field of Communist subversion and control. Former Communists have close contacts in the field of labor and have proved and are now proving highly effective in breaking the Communist control of the labor movements not only in France but in other Western European countries. Former Communist "intellectuals" by their writings, speeches and other activities in organizing anti-Soviet meetings, et cetera, are also proving to be the most effective agents in destroying the Kremlin myth and in exposing the realities of what Communism in action really amounts to.

Mr. Bohlen went on to say that it was just possible that some of these "former Communists" might in fact be playing a double game and were in reality carrying on a masquerade for purposes of penetration and infiltration to obtain information of activities in the non-Communist world, which information could be of value to the Kremlin. Mr. Bohlen added, however, that in his experience covering twenty years in international communism and Russian affairs he

[4] Section 3, Proviso 9 of the Immigration Act of February 1917, as Amended and Supplemented, authorized the Commissioner of Immigration and Naturalization with the approval of the Attorney General to control and regulate the admission and return of otherwise inadmissable aliens (defined as anarchists and others who advocated the forceful overthrow of the United States) applying for temporary admission.

500-421—80——20

knew of no case where a Communist who broke with the Party and publicly repudiated Moscow had ever been revealed as playing a double game on instructions from the Party. He said that the Kremlin and the Communist Party always reacted violently against deviationists and apostates and could not brook any challenge to Moscow's infallibility. He reiterated that when such persons publicly broke with the Party and over a period of years engaged in anti-Stalinist activities which were damaging to the Kremlin we could feel pretty sure that they were not masquerading and engaging in a double game in the interests of Moscow.

Mr. Bohlen said that he considered that the security risk in permitting these former Communists to enter the United States was for the foregoing reasons in reality slight and, in any event, should be considered in the light of a calculated risk which we must assume. The Government could always quietly observe the behavior, contacts and activities of these former Communists when they visited this country. On balance, Mr. Bohlen thought that the slight security risk involved in permitting such persons to visit the United States was greatly over-balanced by what they could do in our interests in the psychological field in combatting international communist activity. He added that in this period of the cold war we required all the assistance possible in order to avoid an armed conflict.[5]

The Attorney General agreed that it was in the national interest that we should avail ourselves of the assistance of some of these former Communists in the field of psychological warfare and anti-Communist activities. Mr. McGrath was confident that the Department of State and the Department of Justice could work out procedures whereby cases involving admission into the United States of such persons could be intelligently and expeditiously handled. He stated that when these cases arose an official of the Department of State might best take them up personally with Mr. Peyton Ford. The Department of State official could explain the national interest involved in relation to the Department of State's responsibilities in the field of foreign affairs and Mr. Ford could go into the security considerations. The Attorney General said that he saw no reason why the FBI files on individual cases should not be shown to the Department of State official. Mr. Joyce stated that this would be most useful because if there were something in the files indicating that a person was in fact a dangerous security risk, the Department of State officials who were dealing with such a person should obviously have such information.

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[5] Many of the arguments advanced here by Minister Bohlen had been made previously in telegram 149, January 12, 1950, from Paris, not printed (161.1B/1–1250). Telegrams 196, January 13, from London; 558, January 19, from Berlin; and 466, February 6, from Rome, none printed, had concurred in Embassy Paris' analysis (741.001/1–1350, 161.1B/1–1950, and 161.1B/2–650).

Mr. Joyce stated that there were presently pending before the Department of Justice three visa cases relating to former Communists. The Department of State had addressed letters to the Attorney General recommending that these persons be admitted to the United States for a temporary visit as such was considered to be in the national interests. He added that the Department of Justice had recently declined to accept the Department of State's recommendation in one case and that the Department would like to review this decision with the Department of Justice as it was still considered in the national interest that the persons involved be admitted to this country for a temporary visit. Mr. Joyce added that time was of the essence in two or three of these cases. Mr. Ford took note of the three pending cases and stated that he would look into them.

Mr. Webb directed Mr. Joyce to get in touch with Mr. Ford as soon as possible with a view to working out with him personally the cases now pending.[6]

Under Secretary Webb raised the question of actions on the part of the officials of the Immigration and Naturalization Service in connection with the Polish vessel *Batory* when it called at New York. He expressed the view that perhaps the Immigration authorities were being over-zealous in their treatment of the *Batory's* crew when the vessel was in the New York harbor. He did not think that these excessive controls and the attendant publicity were doing us much good abroad. Mr. Ford replied that the Captain and certain officers of the *Batory* were now being permitted to leave the vessel and visit New York City but that controls were still being exercised over other members of the crew. He added that the Immigration and Naturalization Service and the FBI still considered that the *Batory* was being used to promote Communist activities in this country and therefore certain controls were necessary. Mr. Webb expressed the hope that something might be done to make the matter less of a show. It was agreed that the press was building up the visits of the *Batory* to New York harbor in a sensational and harmful fashion.[7]

The meeting ended on the note that the Departments of State and Justice should and would cooperate, particularly with regard to this question of the admissibility of former Communists and that Mr. Ford

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[6] In a memorandum of August 21, 1950, to Deputy Assistant Secretary Humelsine, not printed, Joyce recalled that he had subsequent conversations with Peyton Ford and other officials of the Department of Justice on the subject discussed here. Agreement was subsequently reached between the Department of State and the Department of Justice on the admission into the United States in the national interest of three persons in whom the Department of State was interested (117.3/8–2150).

[7] Regarding the protests by the Soviet and Polish Embassies in September 1950 regarding the treatment of the M.S. *Batory* while in the port of New York, see Acting Secretary of State Webb's memorandum of conversation of September 13 and his memorandum of a meeting with President Truman on September 14, pp. 1036 and 1039.

of the Department of Justice and Mr. Joyce of the Department of State should initiate this cooperation by clearing up the presently pending cases and arranging for direct liaison on similar cases arising in the future.[8]

[Robert P. Joyce]

[8] In his memorandum of August 21 to Humelsine (see footnote 6, above), Joyce observed that there had been several embarrassing delays in cases where the Department of State had sought to obtain Department of Justice agreement to admission of aliens into the United States. Joyce recommended the adoption of new procedures within the Department of State in handling such matters with the Department of Justice, and he suggested that if the new procedures were not successful, "this troublesome and very important problem" might be referred to W. Averell Harriman, the President's Special Assistant on foreign policy matters, who could lay the matter before the National Security Council and the President.

CFM Files : Lot M-88 : Box 149 [1]

Paper Prepared in the Office of the Assistant Secretary of State for Public Affairs [2]

SECRET [Washington, undated.]

U.S. Views on Capturing Initiative in Psychological Field

PROBLEM

To recommend courses of action by which the United States in cooperation with the British, French, and other NAT countries can achieve more effective use of propaganda, in concert with political and economic measures, so as to capture the psychological initiative and strengthen the unity of purpose and moral determination of countries not under the domination of the Soviet Union.

BACKGROUND

Steps have already been taken to strengthen our current foreign information program as an instrument of national policy, and to establish a basis for cooperation between the information agencies of the United States and other governments. The following measures have been initiated or approved by the United States Government:

[1] The CFM Files are a consolidated master collection of the records of conferences of Heads of State, Council of Foreign Ministers and ancillary bodies, North Atlantic Council, other meetings of the Secretary of State with the Foreign Ministers of European powers, and materials on the Austrian and German peace settlements for the years 1943–1955 prepared by the Department of State Records Service Center.

[2] Circulated in the Department of State as document FM D-H-1, April 14, 1950, this was one of many papers prepared in the Department on a wide range of foreign policy problems for the use of the United States Delegation to the meetings of American, British, and French Foreign Ministers in London, May 11–13, 1950, and the preceding preliminary meetings of American, British, and French Representatives in London in late April and early May. Regarding those meetings, see the editorial note, p. 306.

1. Our physical communications facilities are in process of expansion to provide more effective dissemination of information to all areas of the world. New radio transmitters for the Voice of America are under construction in the United States and at overseas relay bases. The development of additional relay facilities or rebroadcasting arrangements are being explored with Great Britain and France.

2. The National Security Council has been requested to make an urgent review of research and development priorities, and intelligence, to permit the mobilization of all available resources to strengthen the Voice of America so that it may overcome Soviet jamming and penetrate areas of the world which are cut off from the free flow of information.[3]

3. In conformity with NSC–59/1, approved by the President on March 9, 1950, interdepartmental plans are being developed to coordinate the foreign information activities of all departments and agencies of the Government as a unified national program in time of peace and as the nucleus for psychological warfare in period of national emergency and war.[4]

4. A fundamental review of information objectives, tasks and themes has been initiated to strengthen the content of U.S. information output, in all media, to all areas, in support of our foreign policy objectives.

5. A basis for closer cooperation with the British, French and other friendly governments has been approved in a paper (Cooperation with the British and other Information Services) and the following steps have been taken:

(*a*) An agreement in principle has been reached between the Department and the British Foreign Office and implementation has begun, for exchange of selected information policy guidances.

(*b*) Cooperative arrangements have been carried out with appropriate governmental agencies in France and Italy with regard to public information concerning the Mutual Defense Assistance Program. Similar arrangements with other recipient countries are being made.

(*c*) Local arrangements have been made by ECA for cooperative information programs in countries participating in the European Recovery Program. Steps are being taken to coordinate these arrangements more effectively than in the past.

DISCUSSION

There is wide agreement that the present situation calls for positive action to extend the use of propaganda in support of our common objectives. The threat of Soviet-Communist tyranny cannot be met by material means alone. If we are to achieve the kind of world in which freedom can endure, we must employ all the means at our disposal to strengthen the unity of purpose and the moral determination of the free nations of the world.

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[3] The reference here is to document NSC 66, April 4, p. 285.

[4] Regarding the foreign information program and psychological warfare planning, see the circular airgram, May 4, p. 305.

The forthcoming meetings of the Foreign Ministers and the North Atlantic Treaty Council afford an opportunity for the United States to take the initiative in proposing certain specific steps which can be taken at this time, either bilaterally with Britain and France, or jointly through NATO.

The following proposals have been advanced:

1. At the meeting of our Ambassadors in Rome, high importance was attached to the launching of a vigorous propaganda offensive designed to deprive the Soviet Union of the initiative gained by its "peace" campaign and to recapture for the West the leadership in the world movement for peace.[5]

2. As a means for recapturing the prapaganda initiative the Ambassadors conference suggested a declaration of principles by the North Atlantic Treaty Council. A draft of such a public declaration by the North Atlantic States is being developed by EUR and S/P.[6]

3. Senator Benton of Connecticut (with eleven co-sponsors) has introduced a resolution calling for expansion of U.S. information activities and the "convening of a conference of non-Communist nations . . . with a view to reaching a better understanding on common themes and on greatly increasing the effectiveness of such themes."[7]

4. Arrangements for coordination of public information activities within the North Atlantic Treaty Organization have been approved in a position paper (FMD B–27) developed on Article 2 of the North Atlantic Treaty.[8]

5. Extension of bilateral arrangements for exchange of information policy guidances and information materials with Britain, France and other NAT countries have been proposed by P.

6. Exploration with Britain and France of technical measures to overcome Soviet jamming and other means of making better use of our combined communications facilities has been proposed by P.

In considering these proposals it is important to bear in mind the strengths and weaknesses of propaganda in the cold war. There is a temptation in the present situation to regard propaganda as a sort of magic weapon to perform miracles which cannot be accomplished by other means. The plain fact, of course, is that propaganda can never be an effective substitute for policy and action. Words are meaningless without deeds.

Soviet propaganda is uninhibited by the moral and practical restraints which make it difficult for democracies to wage effective psychological warfare. It is an integral part of Soviet strategy and is

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[5] Regarding the meeting of United States Ambassadors at Rome, March 22–24, 1950, see the editorial note, p. 282.

[6] A draft public declaration of the sort discussed here was completed in the Department of State as document FM D H–2*b*, May 3, not printed, the text of which was transmitted by telegram on May 2 to the United States Delegation at London for the meetings referred to in footnote 2, above. The draft text appears not to have been used in those tripartite discussions.

[7] Regarding Senate Resolution No. 243 of March 22, 1950 under reference here, see the first editorial note, p. 315.

[8] The paper under reference here is not printed.

employed ruthlessly at home and abroad, in war and in peace. The propaganda machine not only has all of the facilities of the Soviet and Satellite governments at its command, but also the skilled and disciplined fifth column operating within non-Communist states. Despite its apparent effectiveness, however, Soviet propaganda has serious weaknesses which can be exploited by the free world. One of its most vulnerable points is the demonstrable contradiction between Soviet words and Soviet actions. Soviet actions in the public forum of the United Nations exposes the hollowness of repeated "peace" offers from Moscow; the frenzied efforts of the Kremlin to stamp out the Tito heresy belie the propaganda themes of national independence to small states; the tyranny of the Soviet system itself mocks the professions of concern for the welfare of the common man; the subordination of communist parties outside of the USSR to the will of the Kremlin and the interests of the Soviet State contradict the claims of the international character of Soviet communism.

The United States and the democratic nations of the free world cannot successfully employ the cynical methods of the Soviet propaganda machine. We should make no attempt to do so. Our strength in conflict of ideas lies in the validity of those fundamental principles of freedom which guide our conduct. Used intelligently as an instrument of policy, in concert with political and economic measures, U.S. propaganda can perform two important tasks:

First, it can promote understanding of the identity of interest among the peoples of the free world and strengthen the determination to defend freedom against the expansion of Soviet tyranny; it can help to persuade peoples who have not yet achieved freedom of our interest in their progress toward it.

Second, by penetrating areas of the world which are cut off from the free flow of information, it can expose the peoples of the Soviet Union and its satellites to the truth regarding the intentions of the United States and the free world.

The proposed declaration of principles by the North Atlantic Treaty Council can be an important step toward the first of these tasks. There is urgent need for a ringing pronouncement setting forth the common objectives of the free world. It should be a clear and eloquent statement of the fundamental beliefs of the North Atlantic nations who have determined to join in the common defense of their free institutions. It should avoid empty phrases and reflect the hard substance of agreement or fundamental principles. It should demonstrate the identity of interest which has drawn the Atlantic community together, and should make it clear that the same identity of interest is shared with other states who can contribute in different ways ac-

cording to their abilities. It should recognize the aspirations of peoples in undeveloped areas who seek freedom from want and fear, but have yet to achieve it. A declaration of this kind—if it is to serve its purpose as a rallying point for the hopes of the free world—must be more than a phrase-making job; it must be built solidly on political realities.

Unless our propaganda is based on firm political foundations, it will be of little help in capturing the psychological initiative in the cold war. It is a mistake to assume that Soviet propaganda has gained the initiative by its synthetic "peace" offensive. There is no valid evidence to support the view that Moscow's "peace" propaganda, in itself, has been effective in Europe or the United States. At the most, it has merely helped to keep alive the fears and uncertainties which have haunted the West. The fears and uncertainties of Western Europe are real, but the task of capturing the initiative is much more than a propaganda job. It calls for difficult political decisions and concerted action in many fields, including much closer integration of political, economic, military and propaganda measures than we have yet achieved. We can capture the psychological initiative only by courageous action. Propaganda can help to strengthen the unity and moral determination of the peoples of the free world in support of such common action.

The remaining proposals for the Foreign Ministers meeting and the NAT council are directed toward the more effective use of existing information machinery and physical communications facilities.

The United States should proceed vigorously along lines already established to promote cooperation with the information services of other governments to the end that, while they speak with many voices, they promote a clearer understanding of their identity of interest in the struggle to preserve freedom and coordinate their efforts to penetrate the Iron Curtain with generally agreed propaganda themes.

Cooperation with other governments can be advanced through informal bilateral agreements for better use of existing information facilities and through multilaterial arrangements for coordination of information activities by members of the North Atlantic Treaty Organization and other regional organizations.

The United States should recommend the establishment of a coordinating point within the North Atlantic Treaty Organization on the terms suggested in the position paper on development of Article 2 of the North Atlantic Treaty. We should not encourage the establishment of a central NATO information agency which might be interpreted as a counter-Cominform, and which would be less effective than concerted action by the national programs of each country. The

establishment of a clearing house for information would be more acceptable to a majority of the Treaty members, and, if properly coordinated, the information activities of member states would gain rather than lose effectiveness because of their diversity and variety.

The adoption of this procedure would avoid the disadvantages of a Central Information Agency or the convening of public information conferences. In addition to other disadvantages, the convening of public information meetings would tend to raise awkward questions regarding Spain, would impose needless strain upon such neutrals as Sweden and India, and would further isolate Yugoslavia whose information activities are contributing heavily to the embarrassment of the Kremlin. By placing primary emphasis upon intensification of information efforts by other non-Communist nations, we can avoid the exclusion of countries which cannot be expected to participate in organized propaganda against the USSR, but which might be induced to lend their assistance to specific projects in a discreet manner.

The United States should propose extension of existing bilateral arrangements with Britain and France, and with other countries wherever possible. More specifically, such arrangements should include: (1) Exchange of information guidances in order to achieve better correlation of information output and development of common themes; (2) Provision for exchange of information materials (leaflets, radio scripts, motion pictures, etc.) designed to strengthen understanding between the nations of the free world and to counteract the effect of Soviet propaganda; (3) Provision for closer cooperation between U.S., British, and French information officers attached to our missions abroad in concerting their efforts to counteract Soviet propaganda. Such cooperation in the field should be extended to other countries wherever possible. Agreement should be reached on the general lines of parallel instructions to U.S., British, and French diplomatic missions in certain areas.

In the bilateral discussions with Britain and France, we should also explore other means of making more effective use of our combined communications facilities and technical means to overcome Soviet jamming. In this connection, there is need for closer identification of interests of Britain, France and the United States in the use of radio facilities for propaganda purposes in the cold war. While the British Broadcasting Corporation and the French National Network have assisted the VOA by permitting relay or rebroadcasting of our programs, both governments have often opposed the United States regarding the allocation of broadcasting frequencies. It would be helpful to demonstrate the identity of our interests at the political level in connection with discussion of common information objectives.

RECOMMENDATIONS

In recommending courses of action to achieve more effective use of propaganda in support of our policy objectives, the United States should:

1. Take the initiative in proposing a public declaration by the North Atlantic Treaty Council, expressing the fundamental principles and common objectives of the free world.
2. Propose the establishment of a coordinating mechanism within the North Atlantic Treaty Organization (*a*) to provide for the exchange of information within the NATO, and (*b*) to concert the information policy of the member governments.[9]
3. Propose, in bilateral talks with the British and French:

(*a*) Inclusion of France and possibly other countries in arrangements for exchange of information policy guidances and information materials for the purpose of increasing understanding of our common aims and objectives and counteracting the effect of Soviet propaganda.

(*b*) Arrangements for establishing closer cooperation between information officers attached to U.S., British and French diplomatic missions abroad in counteracting Soviet propaganda. Such cooperation in the field should be extended to other countries wherever possible. Agreement should be reached on the general lines of parallel instructions to United States, British and French diplomatic missions.

(*c*) Exploration of other means of making more effective use of our combined communications facilities and technical means to overcome Soviet jamming. We should seek agreement on the necessity of concerted efforts to penetrate areas cut off from the free flow of information.

[9] Action was taken at the Fourth Session of North Atlantic Treaty Council in London, May 15–18, pertaining to the coordination of information policy. For documentation, see vol. III, pp. 1 ff.

Under Secretary's Meetings: Lot 53 D 250: Minutes

Record of the Under Secretary's Meeting, April 17, 1950[1]

SECRET

[WASHINGTON, undated.]

RETALIATORY ACTION AGAINST U.S.S.R. AND SATELLITE RESTRICTIONS ON U.S. INFORMATION MATERIALS (UM D-95)[2]

This paper is an effort to conserve a good propaganda asset.

Attention was called to the need for explaining our thinking to members of Congress to prepare the way for handling problems which

[1] This record was presumably prepared by the Executive Secretariat. Regarding the composition and functions of the Under Secretary's Meeting, see footnote 1, p. 266.

According to the "Action Summary" of this meeting, it was decided that Assistant Secretary Barrett and Assistant Secretary of State for Congressional

might be raised by additional restrictive measures taken abroad by Russian or satellite nations.

It was pointed out that it would be dangerous for the Russians to find out that we did not intend to retaliate.

It was noted that if problems of restriction and retaliation were to be discussed on the floors of the Congress at this time the negative voices (in terms of the proposals of this paper) might be the more audible. There was some feeling that it will be difficult to convince the Congress and the general public of the wisdom of nonretaliation. Mr. Barrett pointed out that we would not assume a position of complete nonretaliation, but that we do not want to retaliate by cutting into freedom of information.

It was suggested that if our own information programs should be stepped up we might expect increased opposition from the other side of the curtain.

The satellite information programs in this country are not very effective; therefore, any steps which we might take to hamper them probably would not inflict much more damage. This is not true, however, of Russian programs.

It was suggested that we take full propaganda advantage of the increased suppression of economic information in the curtain areas. It was noted that various public advisory groups, such as the UNESCO National Commission and the advisory commission for public affairs areas, have supported the general line contained in the paper. It was suggested that it might be useful to obtain the support of such groups.

There is also the possibility of raising in the UN the whole question of diplomatic relations in the light of present conditions.

It was agreed that whenever we are given additional setbacks in our overseas information outlets we should exploit them as further evidences of Soviet terrorism which lead the captive peoples of Europe farther into darkness. This could be handled as a positive action by us rather than merely a reaction against Soviet initiative.

In a discussion of the techniques of our overseas information programs, it was emphasized that our releases and objectives must be suitable for the recipient populations, which vary considerably from area to area.

Relations Jack McFall would work together on a presentation of the problem, along the lines of document UM D-95, to the appropriate consultative group of the Senate Foreign Relations Committee. Paul H. Nitze, Director of the Policy Planning Staff, was given the primary responsibility for reexamining and restating the objectives of American informational, propaganda, and educational exchange programs (Under Secretary's Meetings, Lot 53 D 250, Summaries).

[2] The same as the Paper Prepared in the Bureau of Public Affairs, April 6, p. 290.

The point was made that in contemporary international relations it is not possible to isolate propaganda from fundamental diplomatic relationships; in other words, the primary effect of a diplomatic note might well be upon domestic or foreign public opinion rather than upon formal relations between governments.

[Here follows the remainder of this record covering the consideration by the Under Secretary's Meeting of another subject.]

Editorial Note

President Truman, in an address before the American Society of Newspaper Editors in Washington, on April 20, commented upon the powerful Communist campaign aimed at swaying peoples around the world in favor of Communism, portraying the Soviet Union as a foremost advocate of peace, reviling the United States as a nation of "warmongers" and "imperialists", and seeking to destroy American influence around the world. The President reviewed government and private efforts to counteract Communist propaganda and make the truth known to people abroad, and he singled out the work of the "Voice of America" and United States information offices and libraries. The President stated that there was a great need to improve and strengthen the whole range of information and educational services, and he had directed the Secretary of State to plan a strengthened and more effective national effort in the information field. The President concluded:

"We must make ourselves known as we really are—not as Communist propaganda pictures us. We must pool our efforts with those of other free peoples in a sustained, intensified program to promote the cause of freedom against the propaganda of slavery. We must make ourselves heard round the world in a great campaign of truth."

For the text of the President's address, see Department of State *Bulletin*, May 1, 1950, pages 669–672 or *Public Papers of the Presidents of the United States: Harry S. Truman, 1950* (Washington: Government Printing Office, 1965), pages 260–264. For Assistant Secretary of State Barrett's account of his role in preparing the address, with particular reference to the development of the phrase "Campaign of Truth", see Edward W. Barrett, *Truth is Our Weapon* (New York: Funk & Wagnalls Company, 1953), pages 73–74.

700.00(S)/5-450 : Circular airgram

The Secretary of State to Certain Diplomatic and Consular Offices [1]

SECRET WASHINGTON, May 4, 1950—2:35 p. m.

US Foreign Information Program and Psychological Warfare Planning

The President on March 10 approved a National Security Council report on the US foreign information program and psychological warfare planning [2] and directed that it be carried out by all appropriate departments and agencies under the coordination of the Secretary of State. The report assigns responsibility to the Secretary for the formulation both of policies and plans for a national foreign information program in time of peace and of national psychological warfare policy in time of national emergency and the initial stages of war, and assigns him responsibility for the coordination of policies and plans with the Department of Defense and other agencies, and with related planning under other directives.

In accordance with this report there has been established within the Department the Interdepartmental Foreign Information Staff, with the Assistant Secretary for Public Affairs as Director.[3] This Staff will initiate and develop interdepartmental plans and make recommendations for a peacetime foreign information program. The Staff will also make plans for overt psychological warfare, including recommendations for preparations for national emergency and the initial stages of war. These latter plans, which will be continuously coordinated with joint war plans and will be subject to concurrence by the Joint Chiefs of Staff when they have a direct impact on war plans, will provide for: 1) coordination of overt psychological warfare with . . . censorship and domestic information; 2) the employment and expansion of the peacetime foreign information activities and facilities in order to assure rapid transition to operations in time of national emergency or war; 3) control of the implementation of plans and policies by the Department of Defense in theaters of military operations, and by State in other areas; and 4) transmittal of approved psychological warfare plans and policies to theater commanders through the JCS.

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[1] This airgram was sent to 64 Embassies, Legations, Consulates, and Missions abroad.

[2] The report under reference here, not printed, was NSC 59/1, March 9, 1950.

[3] On August 17, 1950, the Department of State announced the establishment of a "national psychological strategy board". The board, which would be chaired by the Assistant Secretary of State for Public Affairs and would include representatives of the Department of Defense, the Joint Chiefs of Staff, and the Central Intelligence Agency, was to be responsible for coordinating foreign information and psychological strategy in situations where joint action by more than one agency was required. For the text of the announcement, see Department of State *Bulletin*, August 28, 1950, p. 335.

The National Security Council noted that the National Security Resources Board is charged with the responsibility of advising the President on mobilization for domestic information activities, and the Secretary of Defense concurred in the report subject to the understanding that the ordinary peacetime arrangements for handling the foreign information program and psychological warfare policy will continue in the event of national emergency and during the initial stages of war until decisions are made providing for the conduct of wartime activities.

ACHESON

Editorial Note

Secretary of State Acheson, British Foreign Secretary Ernest Bevin, and French Foreign Minister Robert Schuman and their advisers held a series of meetings on world problems at London, May 11–13, 1950. These tripartite ministerial meetings had been immediately preceded by a series of bilateral ministerial meetings between Secretary Acheson and Foreign Minister Schuman and between Secretary Acheson and Foreign Secretary Bevin. Preparations for these ministerial-level meetings had been made in a series of preliminary meetings in London in late April and early May among American, British, and French delegations. The problem of a more coordinated and expanded Western information campaign towards Eastern Europe and the Soviet Union was one of the topics raised during these many meetings. At a meeting on April 25 of American and British representatives (reported upon in telegram Secto 12, April 25, from London), Ambassador at Large Philip Jessup, a principal officer in the American Delegation to these talks, explained American policy toward the Eastern European satellite nations as set forth in document FM D B–22*a*, April 11 (see page 14). After a brief discussion between the two delegations of the question of cooperation in propaganda and broadcasting, there was a consensus that it should be left to the information officers in the field to bring about closer cooperation. At the bilateral ministerial conversation on May 8 in Paris between Secretary Acheson and Foreign Minister Schuman and their advisers (reported upon in telegram 2185, May 8, from Paris) there was a considerable discussion of the problems and benefits of better coordinating Western propaganda efforts toward Eastern Europe, and the same topic was taken up by Secretary Acheson during the bilateral American-British ministerial conversation in London the following day (reported upon in telegram Secto 209, May 9, from London). At their first tripartite ministerial meeting in London on May 11, Secretary Acheson, Foreign Secretary Bevin, and Foreign

Minister Schuman agreed to the text of a document (MIN/TRI/P/4, May 9) summarizing the understandings reached in earlier meetings by the three delegations. Paragraph 15 of MIN/TRI/P/4 stated that the three governments should coordinate their propaganda programs and concentrate in particular on the point that the peoples of Eastern Europe had not been written off as members of the European community. During the tripartite ministerial meeting of May 11 (reported upon in telegram Secto 230, May 11, from London), Foreign Minister Schuman raised the question of whether European Recovery Program counterpart funds could be utilized in a more coordinated and expanded Western propaganda campaign.

Full documentation on the meetings of the Foreign Ministers of the United States, United Kingdom, and France, including the messages and documents cited above and not otherwise identified, is presented in volume III, pages 828 ff.

Following the conclusion of the tripartite meetings of the Foreign Ministers, the North Atlantic Treaty Organization Council held its fourth session in London, May 15–18. Secretary of State Acheson headed the United States Delegation to the Council. Among the actions of the Council was an undertaking to promote and coordinate public information in furtherance of the objectives of the North Atlantic Treaty. Reports and documents on the Council session are printed *ibid.*, pages 1 ff.

S/P–NSC Files : Lot 61 D 167 : NSC 66 Series

Memorandum by the Executive Secretary of the National Security Council (Lay) to the National Security Council

SECRET WASHINGTON, May 11, 1950.

Subject: Support for the Voice of America in the fields of Intelligence and of Research and Development

References: A. NSC 66 [1]
B. Memo for NSC from Executive Secretary, same subject, dated April 4, 1950 [2]

As requested by the Secretary of State the reference report on the subject has been submitted for consideration by the National Security Council, the Secretary of the Treasury and the Chairman, Federal Communications Commission. At the further suggestion of the Secretary of State, the Secretaries of State and Defense, the Chairman, Federal Communications Commission and the Director of Central

[1] April 4, p. 285.
[2] Not printed, but see footnote 3, p. 286.

Intelligence were requested in advance to designate representatives to prepare a report for consideration by the Council, the Secretary of the Treasury and the Chairman, Federal Communications Commission in the event the Recommendations contained in NSC 66 were approved.

The following replies have been received:

State: Approves the Recommendations in NSC 66 and designates Mr. Howland Sargeant as a member of the proposed special staff group.

Defense: Recommends, as stated in the enclosed letter,[3] that no further action be taken on this matter by the Council until an *ad hoc* committee of the Intelligence Advisory Committee completes its current investigation of the problem and submits its report.[4]

Treasury: Approves the Recommendations in NSC 66

NSRB: Approves the Recommendations in NSC 66

FCC: Disapproves the Recommendations in NSC 66, with the comment that the problem of the Soviet jamming of the Voice of America is only a fraction of the problems of the Voice of America and that there should be a re-evaluation of the entire "Voice" operations and programming in regard to both the national security and the over-all telecommunications policy of the United States; and designates Mr. Curtis B. Plummer as a member of the proposed special staff group.

CIA: Designates Mr. Ralph L. Clark as a member of the proposed special staff group, and reports on certain current related activities as indicated in the enclosed memorandum.[3]

The above information is transmitted herewith for consideration by the National Security Council, the Secretary of the Treasury and the Chairman, Federal Communications Commission at the next regularly scheduled meeting, with a view to reaching agreement on an appropriate course of action.[5]

JAMES S. LAY, JR.

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[3] Not printed.

[4] A "Report of the IAC [Intelligence Advisory Committee] *Ad Hoc* Committee on Soviet Jamming of the Voice of America", dated June 2, 1950, was circulated to the National Security Council under cover of a memorandum of September 11, 1950 by Council Executive Secretary Lay, neither printed.

[5] This matter was not again taken up by the National Security Council during 1950.

649.001/5–1550

Memorandum by the Director of the Office of Eastern European Affairs (Yost) and Mr. Jesse MacKnight, Special Assistant to the Assistant Secretary of State for Public Affairs, to the Deputy Assistant Secretary of State for Congressional Relations (Brown)

CONFIDENTIAL [WASHINGTON,] May 15, 1950.

Subject: Action on Czechoslovak "Peace" Resolution.

On April 27, 1950 the Czechoslovak Ambassador called at his request on the Under Secretary of State to present a note enclosing copies for forwarding to both Houses of Congress of a Resolution adopted by the Czechoslovak National Assembly on February 22.[1]

The Resolution accuses the "imperialist powers"—led by the United States and Great Britain—of pursuing a policy of aggression and threatening world peace in a "desparate" attempt to save the "crumbling capitalist order" and destroy "true democracy", in contrast to the Soviet Union which leads the "camp of peace and progress". It "demands", among others, the cessation of "imperialist production" of arms and calls upon "all parliaments of the world" to take a stand against war preparations and to support the "world peace movement."

Its other five demands are for: 1) prohibition of production and use of atomic and other weapons of mass destruction, 2) cessation of the "unjust" wars in Viet Nam, Malaya, and elsewhere, 3) an end to the revival of nazism and fascism and the policy of turning Western Germany into an "imperialist war base", 4) an end to the persecution of "fighters for peace" in capitalist colonial and semi-colonial countries, and 5) the conclusion of a Great Powers "peace pact" within the framework of the United Nations.

The Resolution constitutes an integral part of the Soviet-Communist "peace" campaign sponsored by the World Congress of the Partisans

[1] The text of Czechoslovak Ambassador Vladimir Outrata's note of April 27 to the Secretary of State is not printed. During a brief interview with Ambassador Outrata at the time of the delivery of the note, Under Secretary of State James E. Webb observed that he found it difficult to reconcile the protestations in regard to peace contained in the Czechoslovak Resolution with the action of the Czechoslovak Government in engaging in violent anti-American propaganda, in closing down American information offices in Czechoslovakia, and in endeavoring to cut off contacts between Czechoslovakia and the United States (memorandum of conversation by Yost, April 27, 1950: 649.001/4–2750). In a statement issued to the press on April 27, the Department of State took note of the Czechoslovak Resolution of February 22. The statement pointed out that recent actions by the Czechoslovak Government in contravention of accepted standards of international relations served to promote international tension rather than peace and underscored an apparent fear of friendly contacts and free exchange of ideas between peoples (Department of State *Bulletin*, May 8, 1950, p. 738).

For documentation on the continued deterioration of relations with the Czechoslovak Government, see pp. 526 ff.

500–421—80——21

of Peace. This so-called "peace" campaign serves as a propaganda cover and a pivot for all Communist and fellow-traveler activities ranging from so-called "peace" demonstrations in Western Europe to armed conflict in Indochina. The World Partisans of Peace Movement, founded in April 1949 in Paris, is staffed by Communist and fellow-traveler officials, with Frederic Joliot-Curie as President. The movement has undertaken what it calls "concrete" actions, the most important of which are (1) the formation of "peace" committees to prevent the unloading of MDAP equipment,[2] and (2) a world-wide campaign to support Soviet proposals in the UN on disarmament and the atomic bomb. Its methods have included the collection of petitions for presentation to the parliaments of the world; the dispatch of international delegations to various countries to present Soviet proposals (the delegation to the United States headed by Picasso was denied visas[3]); the convocation of world peace Congresses; and the formal peace proposals by Communist governments to the Western legislatures. Currently, its chief propaganda tactic in preparation for its next Congress is a world-wide collection of millions of signatures in support of two slogans with popular appeal: (*a*) the prohibition of the atomic bomb as a weapon of aggression and mass extermination; and (*b*) the denunciation of the Government which first uses it as a war criminal.

It is believed that for the Department to transmit officially copies of the Resolution to Congress, as requested by the Czechoslovak note, with a view to action thereon would play into Communist hands by lending an undesirable dignity to the document and indicating that we attach importance to it.

It is recognized of course that if the Resolution is not received by Congress, the Communists may attempt to exploit this for their own propaganda purposes by claiming that the United States Government refuses to consider peace proposals. Any such charges might be countered by making clear in Congressional comment and through our overseas information program that: 1) Our return of the Resolution does not indicate an unwillingness to consider earnestly the genuine efforts to achieve international peace and amity; 2) it does indicate an unwillingness to be party to a Communist propaganda move which seeks to mislead and confuse the peoples of the world. The positive approach of the United States to the peaceful solution

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[2] Regarding the attempts to prevent the unloading of MDAP equipment in Western European ports, see telegrams 373, January 23, from London; 900, February 16, from London; and 955, March 2, to London, pp. 264, 269, and 272.

[3] Regarding the denial of visas to a delegation representing the World Congress of Partisans of Peace in early March, see the editorial note, p. 273.

of international problems might well be contrasted in this connection to the Soviet record of obstruction.[4]

[4] In a memorandum of May 22, not printed, Deputy Assistant Secretary of State for Congressional Relations, Ben H. Brown, Jr., replied to the memorandum printed here as follows:

"This office has contacted the leaders of the House and the Senate and the Foreign Relations and Foreign Affairs Committees, from both parties, and they have unanimously agreed that the action proposed by the Department is the proper way of handling the note." (649.001/5–1550)

In a note of May 24 to Czechoslovak Ambassador Outrata, Acting Secretary of State Webb replied to the Czechoslovak note of April 27 (see footnote 1, above). Acting Secretary Webb's note referred to the offensive and baseless references to the United States contained in the Resolution of the Czechoslovak National Assembly and indicated that the Resolution, far from making a contribution to peace, increased the difficulty of developing international amity. The note therefore returned the copies of the Resolution as unacceptable. The text of Acting Secretary Webb's note of May 24 was released to the press that same day together with an explanatory statement which closely followed the first four paragraphs of the memorandum printed here; see the Department of State *Bulletin*, June 19, 1950, p. 1019.

S/P–NSC Files: Lot 61 D 167: NSC 66 Series

Memorandum by the Acting Secretary of State to the Executive Secretary of the National Security Council (Lay)[1]

CONFIDENTIAL WASHINGTON, May 26, 1950.

Subject: Supplemental Budget Estimate for the Information and Education Exchange Program

The President, in his speech to the American Society of Newspaper Editors,[2] directed the Secretary of State to plan a strengthened and more effective national propaganda effort. In order to carry out a part of that effort, the Department of State has prepared a supplemental budget estimate for the information and educational exchange program.[3] This appropriation request represents support for a propa-

[1] This memorandum was circulated to the National Security Council, under cover of a memorandum of May 29 by Executive Secretary Lay, "for consideration on an urgent basis" (S/P–NSC Files, Lot 61 D 167, NSC 66 Series). At its meeting on June 7, the National Security Council, in Action 307, endorsed in principle the supplemental budget request outlined here, as being in the interest of national security. It was noted, however, that the action did not constitute Presidential approval of the specific budget estimate submitted by the Department of State, pending completion of the normal review by the Bureau of the Budget (S/P–NSC Files, Lot 62 D 1, NSC Records of Action). Lot 62 D 1 is a serial and subject master file of National Security Council documents and correspondence for the years 1948–1961, as maintained by the Policy Planning Staff of the Department of State.

[2] Regarding the President's speech of April 20 under reference here, see the editorial note, p. 304.

[3] The proposed budget for the Department of State for fiscal year 1951 included a request for $36.6 million for international information and educational activities. In the omnibus funds bill passed by the House of Representatives on May 10 (HR 7786), this amount had been reduced to $34 million. This amount was subsequently still further reduced to $32.7 million in the funds bill passed by the Senate on July 13. As ultimately agreed upon in a House–Senate conference and approved by both chambers on August 28, 1950, the General Appropriations Act of 1951 (Public Law 759, 81st Cong., 2d Sess.; 64 Stat. 595) provided $32.7 million for the international information program.

Regarding the supplementary appropriation for information programs, approved September 27, see the editorial note, p. 316.

ganda weapon in our effort to win the cold war. If we should fail to win the cold war the United States, as a result of the approval of this budget, would be materially strengthened in its preparation for psychological warfare in a greater emergency.

The force to be brought to bear by this planned effort will be directed at 28 high priority countries which are now subjected to or threatened by the growing force of Communism. This effort to influence public opinion and action in these critical areas will be taken on the basis of selection of more important target groups in each country and the most effective media to be used in informing and influencing those groups. The total estimate represents a plan for carrying out the "campaign of truth" as called for by President Truman in his address to the American Society of Newspaper Editors.

The four areas with which this budget deals are: (1) the Hard Core of Soviet communism—U.S.S.R. proper; (2) the Iron Curtain or "captive" countries; (3) the Crucial Periphery—those countries which because of their geographical position and their weak or indecisive governments are or could easily become the next targets for Soviet aggression; (4) the Danger Zone—countries which at present are subject to harassment rather than conquest, which are weak or unstable, and whose fall would constitute a severe blow to U.S. security interests.

The countries included in each zone are as follows:

Hard Core	*Iron Curtain*	*Crucial Periphery*	*Danger Zone*
U.S.S.R.	Albania	Burma	France
	Bulgaria	Indo-China	Italy
	China	Thailand	India
	Czechoslovakia	Malaya	Pakistan
	East Germany	Afghanistan	Ceylon
	Hungary	Iran	Indonesia
	North Korea	Finland	Philippines
	Manchuria	Greece	
	Poland	Turkey	
	Rumania	Yugoslavia	
	Tibet	West Germany*	
		Austria*	
		South Korea	
		Japan*	
		Trieste*	

The program is highly fluid by nature and necessarily so; within the space of a few weeks the geographical composition of the areas of concern may shift, priority targets may change, target media relationships may be altered.

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*Funds for programs in these countries are carried in other appropriations. [Footnote in the source text.]

No additional funds are being requested at this time for countries other than those in the first four zones of concern. Funds provided in the regular 1951 budget for other areas are sufficient only for a minimum holding operation. The program in these areas however will be augmented by the availability of a substantially larger amount of basic media material prepared initially for use in the first four zones. Finally, there is a physical limitation on the rate to which the USIE program can be expanded. It is therefore necessary to take a calculated risk with countries for which the time factor does not seem as urgent at this moment.

The budget estimate which has been prepared provides 82.3 million additional funds for operations and 47.6 million for the construction and improvement of radio broadcasting facilities. An additional item will be added to this budget for administrative support.

The Congressional calendar requires an extraordinary handling of this budget request. It must necessarily be handled in rather broad terms of principle and it is recommended that the National Security Council endorse this supplemental budget request as being in the interest of national security.

With this in mind, the Department of State is submitting this paper for circulation to the members of the Council on an urgent basis.

JAMES E. WEBB

511.00/6-2350

Memorandum by the Under Secretary of State (Webb) to the President [1]

[WASHINGTON,] June 23, 1950.

Subject: "Campaign of Truth" Appropriation Request

The following are the points which you may want to emphasize in talking with the Congressional leaders about the new "Campaign of Truth" appropriation request:

1. We have to face it: the so-called cold war is still very serious. The Russians have pitched the battle on the psychological front; and we need the wherewithal to counter them.

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[1] At a meeting with President Truman on June 22 to discuss various important foreign policy questions, Under Secretary Webb, substituting for Secretary of State Acheson, apparently took up the question of Presidential support for the request for a Congressional appropriation for an expanded information program by the Department of State. Webb apparently asked the President to give his very strongest backing to an appropriation request at his next meeting with the principal leaders of Congress, urging them to give high priority to the request as a very special program. According to Webb's record of the discussion, not printed, the President was prepared to support fully the expanded information program and was willing to speak to Congressional leaders about it, but he

Footnote continued on following page.

2. The London meeting of the Foreign Ministers agreed that a sharpened and more effective psychological effort by the nations of the free world was needed at the earliest possible date.[2]

3. The problem has been considered by the National Security Council and the proposed program for an intensified effort *in the critical areas only* has been endorsed in principle by NSC as a priority matter.[3]

4. The only weapons we have today, short of military arms, are the economic, political and the psychological. It is important to put all we can into the psychological and do so now.

5. To get a start on the job, you asked the Secretary of State in April to develop a new program for your consideration.[4] This program was designed to let the United States get under way immediately with a tougher and sharper psychological effort in the critical areas.

6. A new plan for taking the psychological offensive, with an array of new affirmative themes, has been prepared. It is designed to thwart Russian advances and to help to push the Russians back. This is now being coordinated with all agencies concerned within the Government.

7. To make this program really effective we must have the mechanism for doing so. To do it on a full scale will involve doubling or tripling our present manpower and facilities—but still this will cost less than one battleship.

8. In the last few years we have learned a great deal about information operations. We have a firm foundation on which to build what is needed in this critical situation today.

9. The budget request will probably go to the Hill within the next week and it will be appreciated if it gets all possible support. It is of vital importance in the situation we face today.

James E. Webb

Footnote continued from preceding page.

desired a memorandum on which to base his conversation with the Congressional leaders (Secretary's Memoranda, Lot 53 D 444, Secretary's Memoranda—June 1950). The memorandum printed here was presumably the response to the President's request. When the Secretary of State met with President Truman on July 6, the President stated that he had not had an opportunity to talk with the Congressional leaders about the expanded information program. He planned to do so on July 10 and again asked for a memorandum from the Department of State for his use in the discussion (memorandum by the Secretary of State, July 6: Secretary's Memoranda, Lot 53 D 444, Secretary's Memoranda—July 1950). In response to the President's request, two more copies of the memorandum printed here were sent to the White House on July 7.

[2] Regarding the meeting of the Secretary of State with the British Foreign Secretary and the French Foreign Minister in London in May, see the editorial note, p. 306.

[3] See the memorandum of May 26 by Acting Secretary Webb for NSC Executive Secretary Lay, p. 311.

[4] The reference here is presumably to the President's speech of April 20; see the editorial note, p. 304.

Editorial Note

A Subcommittee of the Senate Committee on Foreign Relations held hearings, July 5–7, 1950, on Senate Resolution 243, introduced in the Senate on March 22, 1950, by Senator William Benton of Connecticut and 12 other Senators. The resolution called for a greatly expanded program of information and education among all the peoples of the world with a view to resisting successfully Communist propaganda in the "contest for the minds and loyalties of men." The resolution called for the "international propagation of the democratic creed" by the development of a "Marshall plan in the field of ideas." Secretary of State Acheson was the first of a distinguished list of witnesses who testified before the Subcommittee on behalf of the resolution. For the text of Resolution 243 and of the Secretary of State's statement of July 5 in which he reviewed Communist propaganda methods and objectives and indicated briefly the steps being taken in the "Campaign of Truth" called for by the President, see Department of State *Bulletin*, July 17, 1950, pages 100–102. Other persons testifying on behalf of the resolution were: General George C. Marshall, former Secretary of State and former Chief of Staff of the U.S. Army; General Dwight D. Eisenhower, wartime Supreme Allied Commander in Europe, former Chief of Staff of the U.S. Army, and President of Columbia University; former Senator John Foster Dulles, Consultant to the Secretary of State; Assistant Secretary of State for Public Affairs Barrett; Lieutenant General Walter B. Smith, former Ambassador to the Soviet Union; former Presidential adviser Bernard Baruch; RCA Chairman Sarnoff; Senators Benton, Herbert H. Lehman of New York, Robert C. Hendrickson of New Jersey, Karl E. Mundt of South Dakota, and Wayne Morse of Oregon.

Editorial Note

In a statement issued to the press on July 12, Secretary of State Acheson expressed certainty that the American people would not be "fooled" by the Stockholm Peace Petition or "peace signature" petition currently being circulated in the United States. The Secretary analyzed the petition which he characterized as "a propaganda trick in the spurious 'peace offensive' of the Soviet Union." For the text of the Secretary's statement, see Department of State *Bulletin*, July 24, 1950, page 131. Regarding the origin of the Stockholm Peace Petition and the "peace signature" campaign, see the editorial note, page 276.

Editorial Note

In a letter of July 13 to the Speaker of the House of Representatives, President Truman requested from Congress a supplemental appropriation of $89 million to strengthen and enlarge the international information and educational program. Of the requested amount, more than $41 million was to be expended for expanded radio broadcasting facilities. For the text of the President's letter, see Department of State *Bulletin*, July 31, 1950, page 194 or *Public Papers of the Presidents of the United States: Harry S. Truman, 1950*, page 521. The President's letter and the accompanying letter of July 13 from the Director of the Bureau of the Budget to the President were subsequently printed as House Document No. 641, 81st Cong., 2d sess.

Hearings on the additional funding were held before the House Appropriations Committee, July 17–26, 1950. Secretary of State Acheson, Assistant Secretary of State for Public Affairs Barrett, other Department of State officers, officials of other agencies, and private persons testified on behalf of the supplemental appropriation. For the record of the hearings, see *The Supplemental Appropriation Bill for 1951:* Hearings before the Subcommittee of the House Committee on Appropriations, 81st Cong., 2d sess., on Supplemental Appropriation Bill for 1951, Department of State (Washington, Government Printing Office, 1950).

On August 11 the Secretary of State issued a statement to the press denouncing the most recent wave of Soviet propaganda against the United States, noting the urgency of an accelerated international information program, and urging speedy Congressional action on the President's request for supplementary appropriations to carry out the new "Campaign of Truth." For the text of the statement, see Department of State *Bulletin*, August 28, 1950, page 335.

Senator Ralph E. Flanders of Vermont and 27 other Senators addressed a letter to President Truman on August 18 urging a "psychological and spiritual offensive against the Kremlin—devised to bring the Russian and American people into contact and into relations of mutual brotherhood." For the text of that letter, see *ibid.*, September 11, 1950, page 424. In replying on August 30, President Truman expressed gratification with the Senators' support for the "Campaign of Truth" and briefly reviewed steps already taken to expand the international information and educational programs. The President noted recent action by the House of Representatives in reducing the supplemental appropriation for the information campaign for 1951 (see below) and urged the Senate to support the full amount of funding originally requested. For the text of the President's letter, see *Public Papers of the Presidents of the United States: Harry S. Truman, 1950*, pages 602–603.

On August 26 the House of Representatives approved a measure (HR 9526) providing for $62.7 million in supplemental appropriations for the international information program and authorizing the expenditure of an additional $15.2 million in local currency "counterpart funds" accumulated abroad by the Economic Cooperation Administration. The Senate on September 14 approved a measure increasing these figures to $77.9 million and $19.6 million respectively. The House and the Senate subsequently approved a compromise measure appropriating $63.9 million for the information program and authorizing the expenditure of $15.2 million in counterpart currencies. Supplemental Appropriations Act, 1951 (Public Law 843, 81st Cong., 64 Stat. 1044), incorporating the additional funding for international information and educational activities, was signed by the President on September 27, 1950.

Editorial Note

On July 14 the United States Advisory Commission on Information (comprising Mark F. Ethridge, Publisher of the Louisville *Courier Journal* and Louisville *Times*, Chairman; Erwin D. Canham, Editor of the *Christian Science Monitor*; Mark A. May, Director of the Institute of Human Relations at Yale University; Justin Miller, President of the National Association of Broadcasters; and Philip D. Reed, Chairman of the Board of Directors of the General Electric Company) addressed a letter to President Truman expressing the urgency of an immediate acceleration of the government's international information program and unanimously endorsing and urging early action on the President's request for supplemental appropriations for the program (see the editorial note, *supra*). Copies of the letter, which also constituted the Commission's quarterly report to the Secretary of State, were also sent to the President of the Senate, the Speaker of the House of Representatives, and the Chairmen of the Senate and House Appropriations Committees. For the text of the letter, see Department of State *Bulletin*, July 31, 1950, pages 194–195.

In a statement issued to the press on August 31 by the Department of State, it was announced that the members of the Advisory Commission on Information called on President Truman that same day to review with him the Department of State's plans for broadening and intensifying the international information program. It was also announced that the Commission conferred with Assistant Secretary of State for Public Affairs Barrett and his staff concerning an improved information strategy. See *ibid.*, September 11, 1950, page 416.

511.00/7–1550 : Circular airgram

The Secretary of State to Certain Diplomatic and Consular Offices [1]

SECRET WASHINGTON, July 15, 1950—8:10 a. m.

Following the NAT and Foreign Ministers Meetings in May,[2] Assistant Secretary Barrett visited London to review the whole field of foreign information activities with Christopher Warner, Deputy Assistant Secretary of State,[3] and heads of the British Foreign Office information departments.[4] The specific purpose of the meetings was to explore ways and means of intensifying our efforts and strengthening cooperation between the information services of the two Governments wherever possible in the common interest.[5] Topics covered included coordination of information policy, exchange of information materials and cooperation in the field, cooperation between VOA and BBC, techniques of distribution and measures to implement NAT decisions relating to public information.

Agreement was reached on the following main points:

1. While each Government will retain complete freedom of action in conducting overseas information, there should be close consultation and cooperation wherever possible in support of common objectives. To this end there should be continuous exchange of ideas between the Department and the Foreign Office and between our Missions abroad with a view to developing common lines of information policy, planning and conduct of activities. It was agreed, however, that such cooperation should normally stop short of joint information operations.

2. In order to further continuous discussion and exchange of ideas at the policy level, the Foreign Office is appointing an officer of First Secretary rank to the British Embassy in Washington with responsibility for maintaining liaison with the Department on all aspects of

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[1] This circular airgram, drafted by William T. Stone, Chairman of the Interdepartmental Foreign Information Staff (IFIS), was sent to 70 diplomatic missions and consular offices around the world.

[2] Regarding the meetings under reference here, see the editorial note, p. 306.

[3] Assistant Under Secretary of State Christopher F. A. Warner was Superintending Under Secretary of the Information Policy, Information Research, and Information Services Departments of the British Foreign Office.

[4] Assistant Secretary of State Barrett, accompanied by William T. Stone (see footnote 1, above) and Mallory Browne, Counselor of Embassy in the United Kingdom and Public Affairs Officer, held meetings with Assistant Under Secretary Warner and his assistants on May 20 and May 22. A set of informal notes on the meetings is included in the Department of State files under cover of a May 26 memorandum by Stone, none printed (511.00/5–2650).

[5] As a result of informal discussions between the Department of State and the British Foreign Office in 1948, United States and British Missions abroad maintained an informal interchange of information and ideas in combating Communist propaganda in the foreign information field. In a paper entitled "Cooperation with British and Other Information Services," dated December 30, 1949, and soon after approved as policy by the Department of State, the Policy Advisory Staff of the Office of the Assistant Secretary of State for Public Affairs recommended a number of steps to expand American-British cooperation and raised the possibility of offering such cooperation to other selected governments (511.51/2–950).

foreign information program. We are likewise appointing a special officer to our Embassy in London for closer liaison with the Foreign Office and BBC.

3. Arrangements have been made for closer coordination of broadcasting including joint use or sharing of transmitter facilities of VOA and BBC in Europe, Middle East, Far East and South East Asia. We are seeking to arrange facilities of relay of our broadcasts from Ceylon and the new British station at Singapore. In concert with British we are seeking widest possible use of transmitters of all other countries capable of reaching the Soviet Union and counteracting Soviet jamming. We have also agreed to study jointly measures which might be taken in the event that our broadcasts to satellite countries are jammed.

4. With regard to cooperation between the two information services in the field, it was agreed that consultation should be encouraged to further common objectives such as the aims of the North Atlantic Treaty, the United Nations and the counteracting of Communist propaganda. It was recognized that the opportunities for effective cooperation in the field would vary in different areas. Particular attention was given to information activities in South East Asia where the British have established a regional information office in Singapore for production of anti-Communist materials suitable for dissemination without direct attribution. A special instruction will be forthcoming regarding cooperation in this area. In general it was agreed that both services would benefit from exchange of ideas, exchange of information materials, discussion of techniques and, in certain countries, exchange of translations and extracts from the local press.

With respect to Europe, we agreed with the British on the general lines for promoting and coordinating special information in support of the objectives of the North Atlantic Treaty. The views of the Department and the Foreign Office is that while elaborate publicity machinery in the NATO is unnecessary, it will be desirable to have a qualified Public Information Officer attached to the Committee of Deputies to promote the most effective utilization of the information facilities of individual governments.

5. The exchange of specific information materials such as documentary films was discussed only in general terms. It was agreed, however, that arrangements for exchange of films might be advantageous in certain countries. In this as in other fields, discretion will be left to the Missions to work out mutually advantageous arrangements for furthering agreed objectives.

The Department will welcome reports and comments from you on the results of initial consultation with your British colleagues. Further instruction or guidance will be forthcoming from the Department when the liaison arrangement mentioned in paragraph 2 above is established in Washington and London.

ACHESON

661.00/7-2750

Information Policy Guidance Paper[1]

CONFIDENTIAL [WASHINGTON,] July 27, 1950.
Special Guidance No. 50

THE BETRAYAL OF PEACE

(The Soviet-sponsored "peace" signatures campaign[2])

I. PROBLEM

To determine the psychological significance of the current Soviet-sponsored "peace signatures" campaign and to set forth propaganda policy effectively to counter and combat it.

II. BACKGROUND

A. *The Appeal*

(The text of the Appeal is in Annex 1[3])

B. *Analysis*

(Analysis of the Appeal is in Annex 2)

C. *Methods*

(Methods used to collect signatures is found in Annex 3)

III. SOVIET OBJECTIVES

The more obvious Soviet objectives served by the "signatures for peace" campaign, are:

To promote acceptance through popular support of the assertions of the major Soviet propaganda theme to the effect that the US wants war while the USSR wants peace;

To use it as a cover for communist activities aimed at extension of Soviet power;

To divert attention from the direct and indirect aggression continuously practiced by the USSR;

To identify aggression solely with use of the atom bomb and minimize public condemnation of aggression by other means;

To nullify the defensive value to the US and its allies of US superiority in atomic weapons by making any use of atomic weapons seem morally indefensible;

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[1] This is one of a series of Special Information Policy Guidance papers on major developments which were prepared by the Public Affairs Policy Advisory Staff (in the Office of the Assistant Secretary of State for Public Affairs), coordinated with appropriate bureaus and offices of the Department of State, and sent to public affairs officers in the United States and abroad as well as to other agencies with public affairs responsibilities. Beginning in 1950 the Public Affairs Policy Advisory Staff also began preparing regular Weekly Information Policy Guidance papers which received interdepartmental coordination and were sent to all public affairs officers of all agencies in the United States and abroad.

[2] Regarding the origin of the "peace signature" campaign under reference here, see the editorial note, p. 276.

[3] Annex 1 is not printed here; for the text of the "Stockholm Peace Appeal," see *ibid.*

To weaken the support of people in non-Communist countries for their governments by creating doubts concerning the wisdom of the current foreign policy of the United States and its allies;

To lure non-Communist peoples into seeming support of Soviet policy, by making them appear to back the USSR in its self-appointed role of the real champion of world peace;

To raise doubts among the American people of the reliability of the populations of its allies in the event of war;

To propagate ideas and concepts which sustain the overall Soviet myth;

To heighten tensions resulting in psychological barriers to enjoyment of normal comforts and pleasures and indirectly to place the onus on the US for unsettled conditions.

To condition psychologically the people of the USSR and to encourage Soviet-dominated populations to endure privations and to make further sacrifices necessary to "safeguard the peace."

In addition to the objectives listed above there is a strong possibility that the USSR may be planning special exploitation of the "peace" signatures in the UN. The Soviet Union may use the signatures to document the contention that whereas the Vishinsky resolution, condemning the US for "preparing a new war of aggression" and calling for the prohibition of atomic weapons, was rejected in the GA, the signatures demonstrate that the Soviet resolution (and inferentially overall Soviet policy) has worldwide popular support.[4] The signatures would thus be utilized as a sort of *world referendum* to compel the UN to modify its position with respect to the control of atomic energy and to accept the Soviet proposal supported by the signatures.

If, in the event described, Soviet demands were rejected by the General Assembly, the USSR might withdraw from the UN and use the signatures to document the line that the opposing governments in the UN are unrepresentative, illegitimate and unresponsive to the will of the people. An indication of this approach was supplied recently in connection with the warning of the British Labor Party to its members not to sign Partisans of Peace petitions or join Partisans of Peace committees. The communists reacted quickly, declaring that it is the British National Partisans of Peace Committee which represents the overwhelming majority of the British Labor Party, even though the latter controls the government.

This line of argumentation could be adapted effectively to serve Soviet purposes at the Second World Congress in Warsaw, in the

[4] During the Fourth Regular Session of the United Nations General Assembly, September 20–December 10, 1949, Soviet Foreign Minister Andrey Yanuaryevich Vyshinsky, the head of the Soviet Delegation to the General Assembly, introduced a resolution which would have condemned the alleged preparations for a new war conducted by a number of countries, particularly the United States and the United Kingdom. The First Committee of the General Assembly decisively rejected the Soviet resolution and instead adopted a United States–United Kingdom resolution entitled "Essentials of Peace" which was subsequently approved by the General Assembly on December 1, 1949. Documentation on the "Essentials of Peace" Resolution is presented in *Foreign Relations*, 1949, vol. II, pp. 72 ff.

event that the USSR elected not to attend the forthcoming meetings of the GA.

IV. DISCUSSION

In countering the objectives of the USSR we must continue increasingly to undermine the whole Soviet "peace" offensive, of which the signatures campaign is only a part, if currently the most significant, as set forth in Special Guidance No. 36 of January 31, 1950.[5] This entails exposure of the Soviet myth, projection of a fair picture of US democracy in action, emphasis on US support of the UN and above all exposition on every suitable occasion of the desire of the US and its intentions to promote peace in the world based on freedom, justice and law. The record of the US in this respect is impressive. We can legitimately take vigorous pride in citing what the US has done, is doing and will continue to do to preserve and to enforce peace. The significance of our actions in support of the UN in Korea can scarcely be overemphasized. These points have constituted important components of our total propaganda effort. They should be continued and intensified.

However, the United States should take the offensive and should, in combatting the Soviet-sponsored signatures compaign, devote considerable propaganda energy positively to demonstrate that far from seeking peace, international communism harbors militantly aggressive designs against the Free World and against the US as the most prominent nation of the Free World. It should label the actions and the intentions of international communism as a betrayal of peace, as a betrayal of the signers of the "peace" petition and indeed of the hopes of all men who yearn for peace and the opportunity to devote their energies to constructive purposes. It should do this not only to meet the exigencies of the current situation but in order to set and to keep the historical record straight.

The betrayal of peace should become the inclusive phrase describing the actions of international communism in pursuit of its fundamental purpose to dominate the world. Though posing as the champions of peace, international communism does not seek peace. It has repeatedly, during the past five years, betrayed peace.

International communism betrayed peace when in 1946, Stalin, in his election speech, announced the end of constructive collaboration with the United States and the other nations of the free world.

It betrayed peace when police regimes were imposed on the Eastern European satellites in violation of the Yalta Agreement.

It betrayed peace when it supported civil war in Greece.

It betrayed peace when Germany was broken into two separate units.

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[5] Not printed.

It betrayed peace when it refused to consent to effective international control of atomic energy according to a plan endorsed by an overwhelming majority of the nations of the world.

It betrayed the peace when a police regime was imposed in North Korea.

It betrayed the peace when a blockade was established in Yugoslavia and the Yugoslav people incited to insurrection.

It betrayed the peace when the remilitarization of Eastern Germany was begun.

It betrays peace when it refuses to permit the free exchange of persons and ideas across international boundaries.

It betrays peace by blocking peaceful contacts of the West with her satellites.

It has betrayed peace by its obstructionist tactics in the UN Commission for Conventional Armaments and its persistent opposition in that Commission, in the Security Council, and in the General Assembly to every single majority-supported effort or proposal to regulate and reduce conventional armaments and armed forces.

It betrays the peace when it uses propaganda to war-monger, whip up tension, civil war-monger and to deceive people concerning the intentions of the West.

It betrays the peace when it uses Communist fifth-columns, wherever they exist, to create distrust, disorder, and, when possible, civil war.

Within the framework of such a propaganda offensive (pressed with vigor between the present time and October 1, the eve of the General Assembly of the UN, and meeting of the Second World Congress in Warsaw of the Partisans of Peace, scheduled for October 16–21 [6]) care must be taken not to offend the sensibilities of countless individuals who signed the petition in good faith and who sincerely desire peace.

V. U.S. OBJECTIVES

The objectives should be:

A. To discourage further signatures, especially on the part of well-known public figures, and activity for their collection.

B. To raise doubts in the minds of those who have already signed or may be pressed into signing and of those who are engaged in the collection of signatures.

C. To provide leadership for and thus indirectly to encourage high-ranking government officials, trades union, religious and other public opinion leaders in friendly foreign countries to take a firm stand on the signatures campaign and to expose the fraudulent purposes which it serves.

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[6] Regarding the Second World Congress of the Partisans of Peace, held in Warsaw, November 16–22, see footnote 2, p. 332.

D. To anticipate and minimize the impact at the presentation of the signatures to the United Nations or to another forum.

1. by raising doubts concerning the validity of the statistical claims made on behalf of the signatures campaign.
2. by intimating, to the extent that it is feasible, that the signatures constitute endorsement solely of the need for effective international control of atomic energy—a position which the US took 5 years ago, implementation of which, however, has been blocked by the USSR.

E. To win new support for the United Nations plan for the international control of atomic energy and to strengthen the belief that the United Nations constitutes the best hope of maintaining lasting peace in the world.

VI. TREATMENT

The objectives set forth above may be sought in the following ways:
A. A frontal attack on the Stockholm Appeal as

(1) A deceit, because it seeks to mask behind fair words the militantly aggressive acts and intentions of the Soviet Union.
(2) A fraud, because it ignores, or glosses over, the one plan for the international control of atomic energy which contains solid guarantees for the security of all people against the misuse of atomic energy. The failure to mention the United Nations plan is the "missing component" in the petition.
(3) A hypocrisy, because it exploits heartlessly the deep aspirations of people everywhere on behalf of an aggressive, belligerent power, which maintains and is expanding the largest armed force in the world.
(4) A betrayal, because its intention is not to cultivate the conditions of international agreement that alone can lead to an easing of existing international tensions but rather to create new divisions and exacerbate old ones.
(5) Chicanery, because it cunningly associates crimes against humanity with a single weapon rather than with aggression itself. As the Secretary has pointed out* the real crime against humanity is aggression; particularly deliberate armed aggression in defiance of the UN. Among the instruments of aggression currently used by the communists to impose their will on unwilling peoples are propaganda of incitation, subversion, infiltration, intimidation, threats of force, puppet armies and civil war. It will be recalled that several hundred thousand North Koreans had signed the petition before the aggression against the Republic of Korea.

B. A labelling of the Communist sponsors of the petition as betrayers of the signers of the peace petition. Signers of the petition should not be charged as betrayers, but the implication should be made that they have, if innocently, been duped and exploited by forces that are bent on their destruction as social forces and as individuals.

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*The text of the Secretary's remarks at his press conference on July 12, 1950, is in Annex 4. [Footnote in the source text. Annex 4 under reference here is not printed. Regarding the Secretary's press conference remarks of July 12, see the second editorial note, p. 315.]

C. A persistent counterpoint of exposition to the effect that the USSR could make a genuine contribution to peace by using as requested by Britain and the US, its acknowledged influence with North Korean authorities to withdraw their troops to the 38th parallel. In this connection the retraction of signatures movement, initiated in Copenhagen as a reaction to communist refusal to fix responsibility for the Korean war, offers opportunity for useful publicity.

Open letters by men of prominence addressed to newspaper editors and to the Partisans of Peace organization, raising embarrassing questions concerning unprovoked aggression regardless of weapons used and including the question of condemnation as aggression the attack of North Korean forces on the Republic of Korea, would also prove effective. (See Annex 5.[7])

Since the Partisans of Peace endeavor to gloss over or avoid the question of responsibility for the outbreak of hostilities in Korea, Korea must be used as the basic test of sincerity. This point must be hammered home mercilessly.

D. A persistent counterpoint of exposition to the effect that tabulation of Partisans of Peace signature statistics is uncontrolled and that since the substance is spurious the figures are also phony. Testimony by refugees from Iron Curtain countries concerning communist falsification of election results, multiple-voting, coercion, etc., can be used effectively to discredit reliability of communist claims.

E. A persistent counterpoint of exposition to the effect that essentially the bonafide signatures constitute an endorsement of the position which the US took 5 years ago: namely, that there is need for effective international control of atomic energy. This can be furthered by publicizing

(1) Statements by individuals who have signed to the effect that they affixed their signatures with the expectation that the USSR would draw the necessary conclusions and submit to effective international control of atomic energy by accepting the plan approved by the overwhelming majority of the UN members.

(2) Statements by individuals who have signed to the effect that their signatures affirm their desire for peace and the elimination of aggression but do not constitute endorsement of Soviet policies.

F. A persistent counterpoint of exposition to the effect that

(1) The United Nations plan for the international control of atomic energy is the only plan thus far devised that offers effective guarantees against the misuse of atomic energy.

(2) The United Nations plan has the support of most of the governments and people of the world.

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[7] Annex 5, not printed, was the draft text of a letter suggested as a pattern that might be used in other countries by prominent writers, artists, clergymen, and other public leaders as part of a campaign of exposure of the Stockholm peace signature campaign.

500-421—80——22

(3) The United Nations plan would have been in effect two years or more ago but for the opposition of the USSR, which obviously opposed it in order to be free to continue its aggressive plans.

G. An additional persistent counterpoint to the effect that the United States and the Free World are dedicated to the preservation of peace with freedom and that they are determined to achieve their objective.

H. An additional persistent counterpoint to the effect that aggression is the crime, not the weapons that may be used to effect or to deter it. The attempt to foster a special stigma on the atomic weapon should be countered in this fashion.

I. Seek out in the book which is basic to each major religion, such as the Bible, the Torah, the Koran, etc., quotations to the effect that one should beware of those dressed in sheep's clothing, or beware of those who come offering gifts while practicing dangerous deception.

VII. EXECUTION

The execution of the policy outlined above will require:

A. Cooperation with information agencies of other governments and the NATO to encourage similar action among other peoples. Abroad, the United States should appear not as the leader in the movement but only as one of many nations and peoples interested in exposing the Communist maneuver. In other countries, the campaign of exposure should be of an indigenous character.

B. Speeches and statements by US public and private spokesmen along the lines indicated, action by public and private groups and decisions along these lines regarding actions to be taken by the US delegation to the United Nations.

C. Exploitation of these statements, actions and decisions by US officials and unofficial information media.

Annex 2

Background Paper Prepared by the Public Affairs Policy Advisory Staff

CONFIDENTIAL [WASHINGTON, undated.]

ANALYSIS OF THE APPEAL

The Appeal appears to be neutral. It mentions by name neither the US nor the Soviet Union. At first blush it seems to reflect sentiments and objectives to which "honest men of good will" may subscribe in good conscience.

Originally, the world goal of the signatures petition was set at three to four hundred million signatures, to be solicited in both communist

and non-communist countries. If communist reports concerning accomplishments of the signatures drive can be taken at face value, results achieved thus far are impressive. According to the latest statistics some 214 million signatures have been collected to date. Since the signatures campaign has some 3 months more to run—apparently working up to a climax for the Second World Congress of the Partisans of Peace, scheduled to be held in Warsaw, October 16–21—there is a likelihood that the Soviet Union may claim half a billion signatures—350 to 450 million from the Soviet orbit alone—by the time the campaign is concluded.

With the outbreak of hostilities in Korea the possibility arose that communist propagandists would find their "peace" movement embarrassing and accordingly would shift their emphasis from the "peace" theme. After a short hiatus, however, they blamed the present situation on the US and intensified their "peace" propaganda. Present communist strategy appears to gloss over the question of who committed the crime of aggression in Korea, to attribute international tensions and the danger of widespread international conflict to US foreign policy, and to demand an end to "US intervention in Korea."

The Communists have sought to capitalize on neutrality sentiment, especially in Western Europe, by declaring that partisans of neutrality are partisans of peace who "do not know themselves." This is an obvious effort to reconcile neutralism and Communist doctrine.

The new strategy appears not to have produced successes. Reports from US missions the world around indicate that, since the aggression in Korea, popular interest in the Stockholm Appeal has sharply fallen off and popular skepticism concerning its motives has sharply risen. Attendance at meetings has declined, while open attack on the Appeal, from both official and unofficial sources, has increased. Moreover, counterpetitions and campaigns to withdraw signatures have gained considerable success.

Annex 3

Background Paper Prepared by the Public Affairs Policy Advisory Staff

CONFIDENTIAL [WASHINGTON, undated.]

METHODS USED TO COLLECT SIGNATURES

Exploiting the universal desire for peace, the Partisans of Peace appear to be working on two levels. They appeal, first of all, in a general way to all peace-loving, "honest" people and attempt to secure their support on a non-partisan basis. Secondly, special campaigns have been launched to reach such important segments of the popula-

tion as industrial workers, farmers, the youth and women through local committees, shop workers, and, above all, door-to-door canvassing.

Coercion, particularly in the Soviet orbit (where particularly heavy pressures have been exerted on religious groups), as well as persuasion is being used. Moscow has called on Partisan of Peace officials to demand from persons who refuse to sign the petition a public explanation of why they oppose prohibition of atomic weapons. This demand in Western countries is directed chiefly at leading personalities in an attempt to maneuver them into the position of appearing to favor weapons of mass destrucution. According to Moscow's warning, anyone who refuses to sign exposes himself as an enemy of peace.

700.001/9-2050

Memorandum by the Assistant Secretary of State for European Affairs (Perkins) to the Secretary of State[1]

CONFIDENTIAL [WASHINGTON,] September 22, 1950.

Subject: Forthcoming London Congress of Partisans of Peace

Discussion

You will recall reports reaching the Department of the satisfaction felt in European communist circles at their success in arranging for the second World Congress of Partisans of Peace to be held in London the middle of November.[2] This success is particularly significant because of the decision of the Italian Government to prohibit the convocation of the congress in Genoa, which had originally been chosen for this purpose by the communist movement. The communists attach especial importance to holding this meeting in Europe outside the iron curtain, in order to afford it the optimum opportunity to pursue its objective of creating the broadest possible ostensibly non-communist international movement of men of the most diverse political and religious tendences devoted to the principle of neutrality for western Europe.

Some time ago the British Embassy was informed of the Department's deep concern that the Congress was scheduled to be held in

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[1] This memorandum was drafted by G. Frederick Reinhardt, Deputy Director of the Office of Eastern European Affairs, and was concurred in by Deputy Under Secretary of State H. Freeman Matthews, Assistant Secretary of State for Public Affairs Barrett, and by the Office of British Commonwealth and Northern European Affairs. A marginal notation on the source text indicates that this memorandum was seen by Secretary of State Acheson.

[2] At a meeting in Praha, Czechoslovakia, August 16–18, 1950, the Executive Committee of the World Committee of the Partisans of Peace decided that a Second World Congress of the Partisans of Peace would be held in Great Britain from November 13 to 19. A report on the Praha meeting was transmitted to the Department of State in despatch 49, August 24, from Praha, not printed (700.001/8-2450). The proposed Congress was first scheduled for London, but the site was subsequently shifted to Sheffield.

London and was asked what steps the British Government proposed to take in the circumstances.[3] We have recently been informed that the British Government shares the Department's concern but that they do not have the power to prohibit the congress' being held in England. They were, however, undertaking to deny to foreign participants in the congress as many visas as could be refused on the grounds of public safety or industrial security. They thus hoped effectively to limit the measure of foreign participation in the congress. In addition, they had already denied visas to organizers who were to proceed to England to prepare the congress. In this category they had already refused entry to the Secretary General of the French Bureau of the Partisans, as well as to a group of five Soviet citizens headed by Ilya Ehrenburg,[4] who were endeavoring to come to London for this purpose. Finally, the Foreign Office said they would communicate further on this subject. In communicating the foregoing to the Department the British Embassy said they would be happy to receive any suggestions we might have with respect to this problem and added that they thought the holding of the meeting in London at this time might well provoke an unfavorable reaction in some quarters in the United States. They also asked if there was anything that we might do with respect to this latter contingency.

The communist peace movement spearheaded by the Partisans of Peace is at the moment the most important political instrument in Soviet hands for furthering the campaign of neutralism in Europe and enlisting the support of broad non-communist masses for communist-directed operations, particularly in labor and intellectual circles. At this critical juncture, when the western powers have determined to make every possible effort to redress the balance of power in the world and reduce the threat of Soviet imperialism, the communist peace movement acquires immeasurable significance. There would appear no other course of action but for the British Government to take every reasonable step within the limitations of British law to throttle the forthcoming congress.

Recommendation

It is recommended that you speak to Mr. Bevin along the above lines and request that he urge the British Government to take every reasonable measure to reduce the effectiveness of the forthcoming

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[3] At his daily meeting with principal officers of the Department of State, Secretary Acheson asked that the British be urged to deny permission for the Partisans of Peace to hold their Congress in London (memorandum by McWilliams, September 8, 1950: Secretary's Daily Meetings, Lot 58 D 609, September 1950). Lot 58 D 609 is a chronological collection of the records of the Secretary of State's daily meetings with top Department of State officials for the years 1949–1952, as maintained by the Special Assistant to the Secretary of State.

[4] Soviet author and journalist.

London congress, pointing out the incalculable harm that could be done in the coming months to our common policies by a "London Peace Appeal" timed to coincide with the meetings of the General Assembly in New York and with the first forward steps of our great design to strengthen the western world. It would seem reasonable that as a minimum the British Government could see to it that there is no foreign participation in the congress whatsoever and that, at the worst, it emerges as a purely British affair.[5]

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[5] British Foreign Secretary Bevin was in New York for the Fifth Session of the North Atlantic Treaty Organization Council, September 15–26, and for the concurrent meetings of the Tripartite (American-British-French) Foreign Ministers. No record has been found of a discussion between Secretary Acheson and Bevin on the subject raised in the memorandum printed here. In a letter of September 26 to British Assistant Under Secretary of State Christopher Frederick Ashton Warner, not printed, Assistant Secretary of State Barrett repeated the arguments made in the paragraph printed here and added:

"I am sure you share my view of the high importance of doing everything within reason to discourage the holding of the conference in London or at any other place in the United Kingdom." (700.001/9–2650).

Regarding British efforts to prevent the holding of the "Peace Congress" in the United Kingdom, see telegram 1872, September 28, from London, *infra*.

London Embassy Files: Lot 59 F 59: 350.21 Communism: Telegram

The Chargé in the United Kingdom (Holmes) to the Secretary of State[1]

SECRET

LONDON, September 28, 1950—7 p. m.

1872. UK press today carried Attlee[2] letter to Brit Peace Committee re forthcoming Peace Congress in Sheffield to be held Nov 13–19,[3] in which he made points that in this free country there is no power to prohibit proposed Congress providing no UK laws infringed, but that applications from foreigners to attend it will be dealt with on individual merits and HMG must reserve right to refuse admission to any foreigner who is *persona non grata* and concludes "The Govt are, however, not prepared in any event to allow foreigners to come to the UK for the purpose of organizing the Congress".[4]

Inquiry at FonOff indicates that ways have been sought for preventing Nov Congress but no practicable means available in view of large

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[1] Repeated to Moscow as 66, to Paris as 531.

[2] British Prime Minister Clement Attlee.

[3] Regarding the Congress under reference here, see the memorandum of September 22 from Assistant Secretary Perkins to the Secretary of State, *supra*.

[4] Following British refusal to permit its members to meet in the United Kingdom, the Preparatory Committee for the Second World Peace Congress held meetings in Praha, Czechoslovakia, from October 3 to October 5 and from October 15 to October 18. A report on those meetings was transmitted to the Department of State in despatch 104, October 19, from Praha, not printed (700.001/10–1950).

number delegates and lack of knowledge of purposes of persons entering country. However HMG is determined to prevent meeting of advance organizing body and have refused visas to 3 Russians including Ehrenburg, and some French and other nationals not requiring visas who arrived at UK airport, were refused entry permit and had to return.

FonOff explained they are not worried about effects of Congress on UK which can "absorb" such an affair, but are apprehensive about international effect such as identification of UK with possible World Peace appeal, etc. Also understand Cabinet has under consideration further means of hampering eventual Congress actions, although doubtful whether sufficient legislation exists to do so effectively.[5] Brit Peace Committee sent letter to PriMin Sept 26 protesting against intention of HMG to prevent meeting in Britain of Congress preparatory commission.

While PM letter above mentioned is most unusual, there is thus far no adverse press comment except in *Daily Worker*.

HOLMES

[5] Telegram 2601, November 4, from London, not printed, reported that the British Foreign Office had informed the Embassy that the British Government had decided to adopt a stiff attitude in dealing with visa applications from delegates to the proposed "Peace Congress" in Sheffield. British authorities had discovered that many of the component groups in the Congress were engaging in subversive activities and were planning to misuse British hospitality were they permitted to enter the country. Consequently, the British Government intended to stall on visa applications and finally refuse a substantial number at a date when it would be too late for other delegates to be substituted. (741.00/11–450) Telegram 2745, November 10, from London, not printed, reported that many of the principal delegates to the Congress were being refused entrance into Britain, and only 500 or 600 participants would be permitted from abroad (700.001/11–1050). On November 12 it was announced that the Congress would not be held in Sheffield but would instead open in Warsaw, Poland, on November 16. Telegram 2818, November 14, from London, not printed, reported that a protest meeting had been held in Sheffield the previous evening by the remaining Peace Congress participants whom the Embassy described as "confused, spirits dampened by rain as well as event, sunk in sulky gloom." (700.001/11–1450)

700.001/11–2450 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State [1]

CONFIDENTIAL Moscow, November 24, 1950—7 p. m.

1082. Bearing in mind that Soviet rulers believe that history develops according to fundamental laws and that their world outlook is the science of these laws, it is not strange that we see the Soviet-

[1] This telegram was apparently drafted by Edward L. Freers, Counselor of the Embassy in Moscow.

manipulated peace congress issue forth at Warsaw in November 1950 [2] with ideological heirs to the Communist Manifesto of 1847 and the Bolshevik slogan of 1917, "all power to the Soviets" in the shape of the manifesto to the peoples of the world and the appeal to UN. The stage of these latter new arrivals is far more vast than mid-19th Century Europe or early 20th Century Russia—it is the entire world today. But their purpose is the same—to prepare a revolutionary situation for the seizure of world power by those who spawned them.

The peace manifesto of 1950 seems to bear less relation to the realities of 1950 than did the Communist Manifesto to those of 1847. Likewise the Duma [3] of 1950 (the UN, of course) has a far stronger and broader popular base than that possessed by the Russian Duma of 1917, and its awareness of the dangers confronting it and its resolution in meeting the threat posed to it are demonstrably greater. Nevertheless, there should be no relaxation of effort to make sure that the switch in popular support from the Duma to the Soviets in 1917 will not find a parallel in this instance.

It may not be wise to carry such analogies too far, but it does seem desirable in this case that in addition to countering the activities of "peace" movement by revealing its Soviet Communist inspiration, much attention should be given to illustrating clearly its historical antecedents and their purpose—the preparation of a favorable situation for the forcible seizure of power. The Embassy is not in a position to carry out the research required to make specific suggestions, but feels that this is an important line to pursue in disclosing the aims and methods of this present arm of Soviet Foreign policy.

Department pass Paris, USUN, Rome: Sent Department 1082, repeated information Paris 222, USUN 158, Rome 33.[4]

KIRK

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[2] Some 2,000 delegates, including a small contingent from the United States, participated in the Second World Congress of Partisans of Peace, held in Warsaw, November 16–22, 1950. The Congress adopted a brief "Manifesto to All Nations of the World" and a lengthy "Proclamation to the United Nations." For the text of the Proclamation (or Resolution) of the Congress, see Margaret Carlyle, ed., *Documents on International Affairs, 1949–1950*, issued under the auspices of the Royal Institute of International Affairs (London, New York, Toronto: Oxford University Press, 1953), pp. 145–148. The Embassy in Warsaw, which reported upon the Congress in a series of telegrams and in a summary despatch 350, December 5, from Warsaw, none printed, characterized the Congress as an instrument for the propagation of Soviet foreign policy.

[3] The parliament in prerevolutionary Russia.

[4] Telegrams 3222, December 7, from Paris, and 2495, December 8, from Rome, neither printed, fully concurred in the desirability of pointing out the historical antecedents of the Warsaw Peace Congress and making clear their common purpose of preparing for a revolutionary situation (700.001/12–750 and 700.001/12–850).

Current Economic Developments : Lot 70 D 467 [1]

Current Economic Developments

[Extract]

No. 283 [Washington,] December 4, 1950.

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Soviet Jamming of Voice of America

Intensive studies have been under way over the past year to determine the most effective means whereby the US may counteract Soviet jamming and penetrate the Iron Curtain through the Voice of America. The special staff group considering these problems is chaired by State and includes representation from Defense, Federal Communications Commission, Central Intelligence Agency, other appropriate Departments and agencies, and has utilized the assistance of private groups. Strong efforts are being made to line up recommendations for submission to the National Security Council early in 1951. The studies are closely related to the national directive on US foreign information policy and psychological warfare planning, which requires the ready adaptation of the peacetime foreign information program to the needs of propaganda in time of national emergency or war.

The group concerned with the problems relating to jamming is considering specifically: 1) the development of means to penetrate jamming; 2) measures which might induce or compel the USSR to discontinue its jamming of the Voice of America; and 3) the ramifications of any effective measures taken by the US on either score.

Expanding VOA Activities In view of intensive Soviet efforts to keep its people from any contacts, news or information from the outside world through the medium of press, motion picture or even free movement of individuals, we have come to rely upon radio as almost the only remaining means by which we may reach the people of the USSR. By Congressional mandate we are committed to make the most effective possible use of this mechanism as an instrument of national policy to get across to people in the Soviet orbit as well as to other areas of the world the story of America and the peaceful intent of its foreign policies. There is considerable evidence that prior to the intensive Soviet jamming, the Voice of America had become an effective means of supplying information of the free world to the

[1] Lot 70 D 467 is a master set of the Department of State publication *Current Economic Developments* for the years 1945–1969, as maintained in the Bureau of Economic Affairs. *Current Economic Developments* is a weekly classified publication, prepared by the Policy Information Committee of the Department of State, designed to highlight developments in the economic divisions of the Department and to indicate the economic problems which were currently receiving attention in the Department. It was circulated within the Department and to missions abroad.

peoples of the USSR and its satellites. Present trends in our relations with the satellite governments indicate that the Voice of America is the only overt means now in use by which we can attempt to reach the public in those countries.

Simultaneous with the studies being made by the inter-agency group, the Department is considering every possible means of carrying out the "bold new program" for the Voice of America provided for by Congressional appropriation and Presidential directive. Efforts are being made to improve existing high frequency broadcasting and to expand program facilities for reaching world-wide audiences through improvement and modernization of existing facilities and the acquisition or erection of additional transmitting stations surrounding the Iron Curtain wherever and however they can be obtained. The cooperation of other friendly countries is required and initial negotiations with western European countries are under way. Simultaneously, other negotiations are in various stages with countries in the Pacific, Southeast Asia and the Middle East area. This government has kept up persistent efforts to reach international agreement for equitably meeting broadcasting frequency needs of all countries and for discouraging deliberate derogation by the USSR of telecommunication agreements and conventions. We have sponsored anti-jamming resolutions through the appropriate organs of the UN—relating this effort to the broader framework of the universal declaration on human rights which seeks to protect freedom of speech and opinion and the right to seek, receive, and impart information and ideas through any media, regardless of frontiers. High-frequency broadcasting is recognized as a medium for free dissemination of information and ideas and for better understanding throughout the world, and is a vital force for cultivation of international good will and the maintenance of world peace.

Soviet Jamming Tactics Mass jamming started in April 1949 when the Soviets backed down on their Berlin blockade. Intended at first to keep the facts and the decision on this matter from the ears of the Soviet people, the jamming activity has since become thoroughly and systematically organized with the application of steadily increasing facilities indicating that this is a major effort on the part of the USSR. It has been successful to the point where, notwithstanding the greatly increased effort of the Voice of America, we are reaching only a small percentage of the former audience in that area. Intelligence indicates that improvements in Soviet jamming technique and recent construction of powerful transmitters in certain satellite countries, may have the capacity to deny reception by almost all European home receivers of any program other than those originating in the USSR. If carried to its ultimate conclusion, Soviet jamming and our countermeasures could virtually disrupt all forms of international radio com-

munications. In addition to their jamming efforts, the Soviets and their satellites have taken advantage of all post-war radio frequency negotiations to try to silence Voice of America relay broadcasting facilities located outside the US and its territories.

Efforts to Counteract Soviet Jamming A comprehensive facilities program, which seeks to enable the Voice of America to break through Soviet jamming, is under way. However, no comparable research effort has been established pointed at the problem of achieving an understandable signal under all conditions in existing receiving sets of foreign populations which, not being under our control, cannot be modified or replaced. Technical research in this field has been pointed almost wholly toward counter-jamming (retaliatory jamming of electronic devices and communications of any potential enemy) and anti-jamming (protection of our electronic devices and military communications from jamming). Although no attempt at retaliatory jamming of Soviet broadcasts or the control signals of their jamming network has been made by the Voice of America, some thought has been given to this as a possible measure to force the USSR to desist. However, such measures immediately run counter to international agreements in the telecommunication field. . . .

The important role of the Voice of America program as an instrument of national policy has not been fully appreciated by all of the agencies of the government. Hence it has been handicapped through the consequent inability to secure all of its needs for an expanding program. For example, its use of frequencies conflict with other users of the spectrum. This will become increasingly serious as the program develops. Greater support in the fields of intelligence, communication research, technical development, and frequency assignments must be given to this problem if the Voice of America is to penetrate effectively existing and anticipated future Soviet jamming. Stronger support for the steps necessary to back up the whole Voice of America concept requires an open minded exploration of the close interrelationship of this problem with other problems in the fields of intelligence, security and communications.

Implementation of the Voice of America program, including protective counter jamming measures, is an integral part of the total communications problem of this government. This is the front on which the least progress has been made and in which some of the most difficult decisions remain to be made. The satisfaction of the Voice of America needs raises questions of security and our national and international telecommunication policy. The interplay of our Voice of America problem with our total telecommunication problem is exemplified by evidence that the USSR is utilizing existing Voice of America efforts as a proving ground for the development of their own communication and jamming techniques. This includes the training

of large numbers of personnel, and Soviet investigation of our capability of taking counter-measures. There is the danger that continuation of the Voice of America efforts to penetrate the Soviet area may involve the US in a counter-jamming war in all governmental and commercial fields of communications. Because of these factors and the requirements of other essential communication and intelligence programs as well as related international telecommunication problems, it has been difficult to obtain a sufficiently high priority for meeting Voice of America requirements on all fronts.

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Editorial Note

According to his book *Truth is Our Weapon* (New York, Funk & Wagnalls Company, 1953), pages 78–79, Assistant Secretary of State Barrett and his staff prepared a paper, presumably sometime in the latter half of 1950, restating American propaganda objectives. Help in the preparation of the paper was provided by Wallace Carroll, Editor of the Winston-Salem *Journal* and *Sentinel*, and Joseph B. Phillips, former Foreign Affairs Director of *Newsweek*. The paper in draft was discussed at length with Secretary of State Acheson, John Foster Dulles, other high-ranking Department of State officers, and with a subcommittee of the Senate Committee on Foreign Relations. A lengthy quotation from a 1950 summary of the paper, which Barrett explained became the guiding document of the information program, indicated four primary objectives of the new psychological offensive: 1. creation of a climate of confidence and self-reliance; 2. presenting the United States fairly and countering misconceptions and misrepresentations about the United States; 3. deterring the Soviet Union from further aggression by frustrating the psychological preparation for war; 4. helping roll back Soviet influence by all means short of force.

No paper of the sort described by Barrett has been found in the 1950 portion of Department of State files.

ATTITUDE OF THE UNITED STATES TOWARD EASTERN EUROPEAN EXILE GROUPS AND LEADERS [1]

Under Secretary's Meetings : Lot 53 D 250 : Documents [2]

Paper Prepared in the Bureau of European Affairs [3]

CONFIDENTIAL [WASHINGTON, undated.]

INVESTMENT OF BLOCKED BALTIC FUNDS

PROBLEM

To determine whether the blocked dollar and gold balances of the former independent governments of Latvia, Lithuania, and Estonia should be invested in American securities in order that the proceeds of such investment might be utilized to help defray the cost of maintaining certain diplomatic and consular establishments of these countries.

PROPOSED ACTION

That the Department discuss, informally and in the light of the facts and considerations presented below, the question of the investment of the blocked funds with the chief diplomatic representatives of the three countries in the United States with a view to receiving from them proposals for an investment program suitable to their particular situations. On receipt and approval of such plans, the Department would arrange for the issuance of appropriate licenses by the Office of Alien Property.

DISCUSSION

In 1940, the Baltic States of Latvia, Lithuania and Estonia were incorporated into the USSR. The United States, like many other western countries, has never recognized this incorporation, and con-

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[1] Previous documentation on this subject is presented in *Foreign Relations*, 1949, vol. v, pp. 277 ff.

[2] Lot 53 D 250 is a master file of records of meetings, documents, summaries, and agenda of the Under Secretary's Meetings for the years 1949–1952, as maintained by the Executive Secretariat of the Department of State.

[3] This document was circulated in the Department of State for consideration at the Under Secretary's Meeting as document UM D–72*a*, January 18, 1950. It was a revision of an earlier, less perfected paper (UM D–72, December 14, 1949, not printed), which was withdrawn before it came before the Under Secretary's Meeting. At the Under Secretary's Meeting of January 20, 1950, no objection was raised to the Bureau of European Affairs proceeding in accordance with the proposals outlined in this paper. In March 1950 officers of the Department of State began discussions with the chief diplomatic representatives of Latvia, Lithuania, and Estonia regarding the investment of blocked funds.

tinues to recognize and do business with accredited diplomatic and consular representatives of those nations in the United States. None of the Baltic states has a Government-in-exile. Before these states were incorporated into the USSR their governments transferred certain of their official funds to the United States for safe keeping. After the incorporation of the states into the USSR the United States blocked those funds.

The problem of providing funds to enable the established diplomatic and consular representation of the Baltic states in certain countries, including the United States, to continue their operations then arose. It was decided, at the request of and in agreement with the chief diplomatic officials of the three countries in the United States, that the United States Government would authorize the release of limited sums from the three blocked accounts to enable the Baltic diplomatic and consular officials in the United States and in a few other specified countries to carry on their work. Acting under the authority contained in Section 25(B) of the Federal Reserve Act,[4] the Secretary of State each year issues appropriate certifications for the release of the necessary funds, the amounts in each case being determined on the basis of a budget submitted by the respective missions in the United States for the Department's approval. The actual deblocking is accomplished by the issuance of licenses by the Office of Alien Property, Department of Justice.

The annual drawings have been made against the capital funds. If continued over a prolonged period, this process will obviously result in the eventual depletion of the capital funds. For example, the amounts of the 1949 budgets for the three missions were: Latvia $73,500; Lithuania $110,000; Estonia $57,000.

The approximate amounts of the blocked dollar and gold balances now on deposit in the Federal Reserve Bank in New York and in other United States banks are as follows:

Country	*Type of Account*	*Bank*	*Amount*	
Latvia	dollar	Federal Reserve (NY)	$4, 350, 000	
	dollar	Riggs (Washington)	23, 000	(free acct.)
	gold	Federal Reserve (NY)	3, 430, 000	
			7, 803, 000	

[4] Public Law 31, April 7, 1941 (55 Stat. 131), was an amendment to the Federal Reserve Act, as amended, designed to provide a means whereby friendly allied and neutral European governments and their respective central banks could have access to their funds on deposit in United States banks and frozen there under Executive order. The amendment provided that a depository bank was free from liability if it paid out on instruction of a person whom the Secretary of State had certified as authorized to operate the accounts of a foreign government or central bank.

Lithuania	dollar	Riggs	100, 932
	dollar	Federal Reserve	4, 000
	gold	Federal Reserve	2, 806, 000
			2, 910, 932
Estonia	dollar	Federal Reserve	936, 756
	dollar	National City (NY)	895, 328*
	dollar	National City (NY)	41, 742 (free acct.)
	gold	Federal Reserve	2, 880, 000†
			4, 753, 826 (potential)

It can be seen that the Latvian Mission, if granted appropriate permission, could, under the most conservative investment program, earn more than enough to meet its present budgetary requirements. In the case of Lithuania, by selling its gold balances and investing the dollar proceeds, a return of slightly less than 4 percent would be needed to meet its requirements, while a more conservative program could be expected to yield returns sufficient to meet a large proportion of their expenses. The Estonians have accounts totaling $978,498 which are readily available to them for investment, the returns on which would not meet their requirements. However, it may be that they will be able to secure the release either of the Bank of Estonia account ($895,328) or the gold account in the name of the Bank for International Settlements ($2,880,000), in which case an investment program should yield a major part if not all of their requirements.

While most United States Treasury securities are available for these investments, there appear to be no legal or policy reasons for limiting the proposed investments to such Government securities. It is believed that each mission should draw up a program to meet its own particular requirements and that each program should be considered on its own merits. It is further felt that the Department should be able to consider these funds as being, in effect, "trust funds" and that the statutes of the State of New York with respect to the investment of trusts might well be used as a guide in making investments in these cases. If, as is likely in the case of Latvia, the returns on the investment are greater than the amount required to cover the budgetary needs, there should be no objection to this as the proceeds derived from the investment would remain as a Latvian blocked account.

If this proposal for the investment of the blocked Baltic funds meets with the approval of the interested officers of the Department the mechanics involved in making the investment should be comparatively

*Account held in name of Bank of Estonia and not immediately available. [Footnote in the source text.]

†Account held in name of Bank for International Settlements and not immediately available. [Footnote in the source text.]

simple. It is envisaged that, after preliminary informal discussion with the chiefs of the respective missions, those missions would present a formal request to the Department for permission to invest their blocked funds in certain specified securities or types of securities. If these programs meet with the approval of the Department, the respective missions would then apply, through the Department, for the issuance of the necessary licenses by the Office of Alien Property. The securities and the income therefrom would then be reblocked. It is felt that, in this way, the selection of particular securities would be the responsibility of the individual missions rather than the Department or the United States Government.

POLICY ISSUES

There has been no change, nor is any change contemplated in our policy on non-recognition of the incorporation of the three Baltic states into the USSR. Consequently, the United States will continue to recognize and do business with the accredited diplomatic and consular representatives of these countries in the United States. In implementing this policy we should continue to approve the release of funds from the blocked accounts of these states for the operation of their diplomatic and consular establishments in the United States and in certain other countries where they have continued such operations since the war. As there appear to be no legal or other obstacles to the proposed investment of these funds in a suitable manner and for the purposes herein described, it would seem that this should be done without further delay.

One possible development, if the approval of such investment becomes known to the American public, is that American citizens having claims against the three governments, arising out of pre-war financial transactions or out of seizures of properties in those countries by the USSR, may raise with the Department the question of their rights with respect to the blocked funds. It is felt that the Department should reply, in such an event, that there has been no change in our established policy toward the governments concerned in approving the release of funds for the maintenance of their representatives here and abroad; that the investment program is merely a means of enabling those missions to continue their operations with a minimum depletion of the funds at their disposal; and that, should the United States decide eventually to proceed against the funds for the settlement of the claims of American nationals, the investment program would prove to be in the interests of such claimants since, in at least one instance, the funds available for such settlement might be increased, while in all cases the funds would be preserved as far as possible.

RECOMMENDATIONS

It is recommended that the Department discuss the question of the proposed investment of these funds with the chief diplomatic representatives of the three countries in the United States, pointing out that we would look with favor on a request for permission to invest the funds in a sound investment program best suited to the needs of the particular mission.

511.4941/1–2050 : Telegram

The Ambassador in Czechoslovakia (Briggs) to the Secretary of State

CONFIDENTIAL PRAHA, January 20, 1950—1 p. m.

92. Pass VOANY. Re London telegram to Department 284, January 18,[1] Embassy recommends US refrain from associating itself in any way, even indirectly, with statement Executive Commission Czechoslovak Social Democratic Party in exile disavowing Lausmann. Matter should be treated as internal affair Social Democratic Party in exile and handled as straight news.

In considering comments on Lausmann in future in connection any activities in which he may engage, important to remember that while he may be classic example of "puppet whom Kremlin used and cast aside",[2] his experiences since coup in February are in sharp contrast to those of Fierlinger who, rather than Lausmann, is in Czechoslovakian minds typical traitor to his party. Embassy feels therefore that in order not to discourage possible future defectors here, VOA, while using him as example of impossibility of cooperating with Russians and at same time retaining any personal integrity or individual views, should adopt generally sympathetic tone and avoid penalizing him unduly or censuring him publicly for temporary collaboration.[3]

Repeated Frankfort 6, London 7.

BRIGGS

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[1] Bohumil Laušman, Czechoslovak Social Democratic Party member of the Czechoslovak Parliament, 1945–1948; Minister of Industry, 1945–1947; and Chairman of the Czechoslovak Social Democratic Party, 1947–1948, fled from Czechoslovakia at the end of December 1949. The telegram under reference here, not printed, reported that the Executive Committee of the Czechoslovak Social Democratic Party in exile in London had disavowed Laušman for his role in the Communist coup of February 1948. Because of his conduct while Minister of Industry, the Embassy felt that Laušman was particularly undeserving of any aid or comfort from official American sources (749.001/1–1850).

[2] A quotation from the London telegram cited in footnote 1, above.

[3] Telegram 56 to Praha, January 24, not printed, stated that the Department of State shared Embassy Praha's views. While the Department believed that no obligations should be assumed toward Laušman, particularly those which might be regarded as invidious by refugees with longstanding anti-Communist records, American treatment should not be such as to discourage defections in the future (511.4941/1–2050).

611.60D/1-3050

Memorandum of Conversation, by the Assistant Secretary of State for European Affairs (Thompson)

CONFIDENTIAL [WASHINGTON,] January 30, 1950.

Participants: Mr. Leonard Simutis, President of Lithuanian-American Council
Dr. Pius Grigaitis, Secretary of Lithuanian-American Council
Mr. Michael Vaidyla, Treasurer of Lithuanian-American Council
EUR—Mr. Thompson
EE—Mr. Salter [1]

At the request of Senator Douglas (Dem. of Illinois), who had asked that the Secretary of State or his deputy receive a delegation from the Lithuanian-American Council, I received the above-named officials of the Lithuanian-American Council at the Department this afternoon. Dr. Grigaitis, the chief spokesman for the group, made the following points:

1. *U.S. Policy toward Lithuania.* Dr. Grigaitis said the delegation understood and appreciated the government's policy of non-recognition of the absorption of the Baltic States into the Soviet Union. Although this policy had not recently been publicly and officially re-stated, it was still in force. He wondered, however, whether on some appropriate occasion in the future it might not be possible for a high official of the government publicly to refer to the Baltic States, particularly Lithuania, and reaffirm our established policy. This would strengthen the hope of Lithuanians everywhere and would also encourage the many Americans of Lithuanian descent.

2. *The Genocide Convention.* Dr. Grigaitis referred to the hearings recently begun by a subcommittee of the Senate's Foreign Relations Committee on the question of U.S. ratification of the Genocide Convention.[2] He said that the Council had been advised of the hearings and had contemplated making a statement to the subcommittee. The hearings had, however, been adjourned before three delegations had been heard, viz., the Lithuanian, the Latvian, and the Ukrainian. He hoped this did not mean that the Council would not have an opportunity to submit its views. Dr. Grigaitis trusted that the Convention would be ratified by the U.S. and suggested that, when this shall have been done, an opportunity might then present itself for some public statement by the Government on the significance of the convention,

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[1] Fred K. Salter, Officer in Charge, Polish, Baltic, and Czechoslovak Affairs, Office of Eastern European Affairs.

[2] A Convention on Genocide was approved by the United Nations General Assembly on December 9, 1948, and was signed on behalf of the United States on December 11, 1948. On June 16, 1949, President Truman submitted the convention to the Senate with a view to obtaining the advice and consent of that body to ratification. The Senate did not take definitive action on the convention.

particularly its relevance to the tragic situation now obtaining in Lithuania.

3. *The Voice of America.* Approval was expressed of our aim eventually to broadcast regularly to the Baltic States in their own language. The delegation much appreciated this as an indication of American interest in the welfare of the Baltic peoples. Reports received from Lithuania indicated that VOA broadcasts were most welcome and that they served to strengthen morale. Dr. Grigaitis then mentioned that February 16 was the anniversary of the Independence of Lithuania. He hoped VOA would not fail to use this opportunity to broadcast to the Lithuanian people. He inquired how the Council might be of help to the Department in this and in other connections.

Dr. Grigaitis left with me the original of a letter to the Secretary signed by the three aforementioned officials of the Council, embodying the substance of the remarks he made during the meeting with me (letter attached to original of this memorandum).[3]

In reply, I explained to the delegation that the Secretary was carrying a very heavy load these days and that he was compelled to spend much time on Capitol Hill. I was, however, glad to see the representatives of the Council, and would of course bring to the attention of the Secretary and of the other interested officers of the Department the views and suggestions put forward by Dr. Grigaitis.

I emphasized that we in the Department were aware of the general situation in the Baltic States and that we sympathized with the inhabitants. We were always grateful for information from those countries as well as for suggestions for action such as those mentioned by Dr. Grigaitis. I was sure the delegation understood, however, that in considering the feasibility of adopting a particular course of action it was necessary for us to look at the whole international picture. Soviet policy was complex, and whatever we did or said regarding one part of the world had repercussions in another area. Timing was also an important factor we always had to bear in mind in connection with diplomatic moves. When official public statements contained no special reference to the Baltic States, that did not indicate lack of interest or forgetfulness on our part. Our policy toward those countries had not changed. We would continue to give careful thought to the Baltic countries, particularly Lithuania, in the light of the specific suggestions advanced by Dr. Grigaitis. Whenever we determined it would be helpful, appropriate reference to the Baltic States would be included in statements or comments by officials of the Department. I mentioned that if we ratify the Genocide Convention an occasion might present itself where reference to the Baltic peoples might usefully be made in an official public statement about the Convention.

As to VOA broadcasts, I said that we hoped funds would be made available in next year's budget for regular transmissions to the people

[3] The letter under reference here, dated January 30, 1950, is not printed.

of those countries in their own languages. Meanwhile, I added, we would see what could be done to arrange a special broadcast in Lithuanian on February 16. Mr. Salter would inform Mr. Kohler [4] of the Lithuanian Independence Day. The offer to help prepare such a broadcast was appreciated but the delegation would understand that it was preferable to let the professional personnel at VOA prepare the broadcast. Ideas and suggestions would be useful but the radio experts were best qualified to prepare the script. In bringing the Lithuanian Independence Day to the attention of the Voice of America officials, Mr. Salter would mention the offer of the Lithuanian-American Information Center in New York to be of assistance.

LLEWELLYN E. THOMPSON

[4] Foy D. Kohler, Chief, Division of International Broadcasting, Bureau of Public Affairs.

749.02/4-2850

Memorandum of Conversation, by Mr. Harold C. Vedeler, Principal Assistant to the Officer in Charge of Polish, Baltic, and Czechoslovak Affairs, Office of Eastern European Affairs

CONFIDENTIAL [WASHINGTON,] April 28, 1950.

Participants: Mr. P. Jamriska, President, Slovak League of America
Mr. P. A. Hrobak, Vice President, Slovak League of America
Mr. J. J. Sirotnak
Congressman Harry P. O'Neill [1]
Mr. Yost, Director of Eastern European Affairs [2]
H. C. Vedeler—EE

Mr. Hrobak and his group called at his request to ask a number of questions of the Department concerning its attitude toward the political organization of the Slovaks. He commenced the discussion by asking whether the Department was opposed to the creation of a separate Slovak state. He declared that Americans of Slovak descent were discouraged because they had the impression that the Department was fully committed to the continuance of a Czechoslovak state and would never give the Slovaks a chance to have their own political organization. He maintained that the people of Slovakia strongly desired to end the domination which he asserted had been exercised over them by the Czechs since 1918. He affirmed that the Slovaks were strongly anti-Communist and had always been so while the Czechs were "Reds" who along with Slovak collaborationists like Lettrich

[1] Representative of the 10th Congressional District of Pennsylvania.
[2] Charles W. Yost, Director of the Office of Eastern European Affairs.

were responsible for the present plight of the Slovaks. He insisted that Lettrich [3] had given speeches favoring Communism. After voicing with some heat other complaints of the Slovak-American supporters of Slovak separatism, he paused long enough to ask again for an expression of the Department's attitude.

Mr. Yost replied that the Department had never resisted the aspirations of any people in Europe to determine by their own free choice the state or form of political organization under which they wished to live. On the contrary, self-determination had been our policy in Europe since Woodrow Wilson, and we had not departed from it in the case of the Slovaks. Insofar as he was aware, the Department had never made a statement or had taken other action to indicate that we would oppose the formation of a Slovak state if this represented the will of the Slovak people as determined by orderly processes under free conditions. It was his experience, however, as a result of considerable travel in Slovakia while he was attached to the American Embassy in Prague in 1947,[4] that the Slovak population was generally satisfied to continue the tie with the Czechs in a Czechoslovak Republic in which they had a certain degree of autonomy. As regards Mr. Lettrich, Mr. Yost had seen and heard him in Czechoslovakia and only knew him as a political leader strongly opposed to Communism who had expressed his anti-Communist views at a time when it was not without danger to do so.

Mr. Hrobak and his group insisted that the prejudice of the Department against the existence of a Slovak state was evident in the failure of the United States to recognize the Slovak Republic while twenty-nine other states had done so. He stressed the alleged benefits accruing to the Slovaks under the Slovak Republic and commented that the Slovak-Americans whom he represented could not understand the attitude of the Department in this matter. He recognized that officers in the Department had long had contacts with Czechoslovaks, that it was difficult for the proponents of a Slovak state to contend against the long-established Czechoslovak Republic and that the information available to the Department was consistently biased in favor of a Czechoslovak state.

It was pointed out to the group that the United States did not recognize the Slovak Republic because the Department had considered that it was formed as a result of Hitler's domination of that area and was compromised by association with National Socialism. A Czechoslovak Republic had existed since 1918 with the exception of the war period and the Department could take no action against a recognized territorial state which might be tantamount to seeking its destruction.

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[3] Jozef Lettrich, Vice Chairman of the Council of Free Czechoslovakia; until 1948 Chairman of the Slovak National Council and Chairman of the Slovak Democratic Party.

[4] Yost served as First Secretary in the Embassy in Praha in 1946.

If it were the unalterable will of the Slovak people as a whole to have a separate state, confidence was felt that this would be realized once free political conditions were restored in Czechoslovakia. The Department would certainly interpose no obstacle to any expression or political embodiment of the will of the Slovak people.

The group expressed their feelings against the Council of Free Czechoslovakia, its alleged domination by the National Socialists, the favorable attitude of the Department towards the Council, and the acceptance of information by the Department from members of the Council.

Mr. Yost suggested that in the struggle against international Communism it was desirable for the political emigration to achieve as great a degree of unity as possible among both Czechs and Slovaks. The Council had been formed for this purpose by refugees who had come to the US on their initiative and who organized the Council through their own decisions. He added that it was our impression that this organization was representative of the main anti-Communist orientations among the refugees. Mr. Vedeler stated that members of the Department were anxious to receive any useful information on the Czechoslovak situation or Communist methods in that country from all sources, including members of the Council, if they could supply it. For example, Dr. Heidrich,[5] the Secretary General of the Foreign Office for some years, had supplied information on Communist methods of infiltration in Czechoslovakia which had proved useful.

An effort was made to ascertain what they considered the most desirable form of political organization for Slovakia and whether they supported Sidor [6] or Durcansky.[7] They did not entirely reject a fully autonomous status for Slovakia in a federal Czechoslovakia but preferred a separate Slovak state in a European federation. Nor did they give the impression that they supported either Sidor or Durcansky to the exclusion of the other.

They finally asked why the Department had always refused visas to their leaders (of the Slovak National Council abroad) such as Sidor, Boehm (Emanuel) and Blasko (Stefan). They raised questions in connection with letters received from the Department explaining why the issuance of a visa had been denied Sidor. Mr. Vedeler stated when the question of a visa for Sidor had previously been raised the Department could not view the matter favorably, not because

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[5] Arnost Heidrich, Secretary General of the Council of Free Czechoslovakia, residing in the United States; Secretary General of the Czechoslovak Foreign Ministry, 1945–1948.

[6] Karol Sidor, Chairman of the Slovak National Council Abroad, residing in Canada; Prime Minister of the Autonomous Slovak Government, October 1938–March 1939; Slovak Minister to the Vatican, 1940–1945.

[7] Ferdinand Durčanský, President of the Slovak Liberation Committee, residing in Argentina; Slovak Foreign Minister, 1939–1940; sentenced to death *in absentia* by a Czechoslovak court in 1947 for alleged war crimes.

Sidor was a separatist, but because he was identified in a prominent official capacity with the Slovak Republic created in association with National Socialist Germany and as a result of the Nazi domination of the Czechoslovak area. EE was not aware that either Boehm or Blasko had ever applied for a visa. If they should do so, the question of a visa would be decided on the merits of each case in accordance with existing laws and regulations governing the entry of aliens to the United States.

They said that since Sidor was now in Canada they would greatly appreciate a visa for him for a short stay in the US in order that he might address the Congress of the Slovak League of America meeting in Cleveland during the latter part of May. Congressman O'Neill urged that a visa be granted Sidor for this purpose. They were advised that any application would receive careful consideration but no commitment could be made as to possible action in the matter.[8]

[HAROLD C. VEDELER]

[8] In June 1950, Sidor was granted a temporary visa to visit the United States. According to a memorandum of conversation by Vedeler, June 14, not printed, Sidor, accompanied by Hrobak and Sirotnak, called on Yost to discuss his program and plans. Yost took the occasion to urge that during his public appearances in the United States Sidor not speak against other groups of refugees but endeavor to contribute toward a common effort in the struggle for liberation (749.00/6–1450). A delegation of officers of the Council of Free Czechoslovakia, headed by Chairman Peter Zenkl and Vice Chairman Jozef Lettrich, called on Yost on June 12 to protest against the visit of Sidor to the United States. According to Vedeler's memorandum of the conversation, not printed, Yost assured the delegation that the issuance of a visa to Sidor meant in no sense a revision of the traditional policy of the United States towards Czechoslovakia and the Czechoslovak people (749.00/6–1250).

748.00/5–550

Memorandum of Conversation, by the Officer in Charge of Polish, Baltic, and Czechoslovak Affairs (Salter)

[Extracts]

CONFIDENTIAL [WASHINGTON,] May 5, 1950.

Participants: Mr. Stanislaw Mikolajczyk, Polish Peasant Party
Mr. Karol Popiel, Christian Labor Party
Mr. Stanislaw Olszewski, Labor Party
Mr. Stanislaw Wojcik, Peasant Party
Mr. Konrad Sieniewicz, Christian Labor Party
EE—Mr. Salter

Mr. Mikolajczyk, accompanied by the gentlemen listed above, called at the Department late this afternoon to inform us that representatives of three Polish political parties (Peasant Party, Christian Labor Party and Democratic Party) had established, on May 2, 1950, the

Polish National Democratic Committee, with headquarters in Washington, D.C. The aims of the new organization as well as a list of its members were supplied in a Declaration which was left by Mr. Mikolajczyk, who at the same time presented a brief letter addressed to the Secretary announcing the formation of the Committee and expressing the hope that the United States Government would acknowledge and support the Committee.

The executive organs of the Committee include a Praesidium and an Executive Board. Mr. Mikolajczyk heads the Praesidium and is an ex-officio member of the Executive Board, which is headed by Mr. Popiel. Membership of both the Praesidium and the Executive Board is limited to five persons. Present membership of the National Democratic Committee totals 35 Polish *émigrés*, whose residences are in the United States, Canada, Switzerland, Germany, France, Belgium and Great Britain. Those members of the Committee not in the United States were consulted by mail about its formation, Mr. Mikolajczyk explained.

The chief aims of the Committee are:

1. Liberation of Poland from Communist dictatorship
2. Establishment of a system of true democracy in Poland
3. Representation of the Polish cause and the interests of the Polish people in the field of international relations
4. Cooperation with the free representatives of Iron Curtain nations and cooperation in the efforts aimed at the unification of the whole of Europe
5. Informing free nations about Polish affairs and informing the people in Poland about the aims and achievements of the West in the fight against communist tyranny
6. Cooperation in bringing help to the Polish people

Background Data

The historical background of the establishment of the National Democratic Committee should be mentioned here. Toward the end of 1948 Mikolajczyk went to Europe in the hope of forming some kind of a Polish National Committee with which American agencies such as the National Committee for Free Europe, Inc., might work. He held extensive conversations with Polish political leaders in Europe and, on November 15, 1948, announced from London the formation of the Alliance of Polish Democratic Parties. Included in this Alliance were the Peasant Party, the Socialist Party, and the Christian Labor Party. Subsequently the numerically small Democratic Party joined the Alliance, but Mikolajczyk was never successful in his efforts to get the influential National Democratic Party of Mr. Bielecki into the fold. In December 1949 the Socialist Party withdrew from the Alliance and joined the National Democrats and the NiD (Democracy and Independence) group in the formation of the Polish Political

Council, with headquarters in London.[1] At the same time two of the most influential members of the Peasant Party defected and joined the Political Council, which recently set up a Working Body in the United States. It is, therefore, the residual membership of the Alliance of Polish Democratic Parties which has formed the Polish National Democratic Committee.

. . . . . .

General Remarks about Committee and its Program

The Declaration of the three parties composing the National Democratic Committee looks quite good on paper, although it contains some obviously weak points. The main emphasis of the Declaration is on the liberation of Poland from Communist control and the securing to Poland of a truly democratic system. While the three parties strongly affirm their support of the Oder-Neisse frontier, they are less categorical in their views on the Polish territory in the east now under Soviet control. One notable weakness of the Declaration would seem to be its failure to hope, or provide, for cooperation with other exiled Polish political parties and personalities, including the London Polish Government.[2] No door apparently is left open for this. It is also highly doubtful that the three parties represent, as claimed in the Declaration, "the decided majority of the Polish nation".

It remains to be seen what effect, if any, the inclusion of General Modelski[3] among the members of the new Committee will have on future developments. It is possible Mikolajczyk may be attacked by his political opponents on this account. Mikolajczyk himself is thoroughly distrusted by large numbers of Polish *émigrés* and his new association with General Modelski, who was until recently an ostensible servant of the Warsaw Communist government, is hardly calculated to dispel misgivings.

Department's attitude toward new Committee

There are now two organizations of Polish political exiles operating in the United States: (1) the Political Council and (2) the National

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[1] In December 1949, Polish exile leaders established in London a Polish Political Council to act as a spokesman for various exiled Polish political parties. Representatives in the United States of the Polish Political Council called at the Department of State on March 27, 1950, to inform Department officers of the organization (memorandum of conversation by Salter, March 27, 1950: 611.48/3–2750). Salter discussed the new Council during a conversation with Lord Jellicoe, Second Secretary of the British Embassy, on March 16, 1950. Salter indicated that it was his personal view that the formation of the Council had not contributed substantially to unity among the exiled Polish political leaders. Salter explained that the United States did not favor any particular group of Polish exiles, but encouraged them all to bury their differences and to unite (memorandum by Salter, March 16, 1950: 748.00/3–1650).

[2] A Polish exile group in London claimed the legal continuity of the wartime Polish Government in Exile.

[3] Gen. Izydor Modelski was Military Attaché of the Polish Embassy in the United States until his defection in September 1948.

Democratic Committee. Together, these two groups embrace the historical Polish political parties, a contingent of private or non-political personalities, and a portion of the military element. This crystallization of the exiled Polish democratic forces should be welcomed and encouraged informally. At the same time the desirability, from both the American and Polish viewpoints, of the formation of a single widely-representative organization of Polish *émigrés* should continue to be stressed in conversations with members of the two existing Polish committees. Such a development among the Poles would be in complete harmony with current United States policy toward political refugees in this country and would make the task of unofficial American agencies capable of helping exiles, including those from Poland, considerably easier. Owing to the failure of the Poles to form one fully representative committee, private American agencies have been forced hitherto to extend aid to Polish *émigrés* more or less on an individual basis. This policy should be continued for the present in the hope, now somewhat remote, that a consolidation of the two Polish groups set up in the United States might develop. If this should not occur, neither of the two groups should be accorded exclusive privileges or support by the unofficial agencies. Relations might be maintained, however, informally with each group as a body. As the unofficial agencies prepared to increase their activities on behalf of the refugees (broadcasting, for example) the necessity for coordination and cooperation among the Poles will undoubtedly become clearer and more important to them, and it is not impossible that the pressure of such developments will tend to force them to achieve unification—or at least to agree upon a *modus operandi* with the unofficial agencies.

FRED K. SALTER

Editorial Note

Secretary of State Acheson, British Foreign Secretary Ernest Bevin, and French Foreign Minister Robert Schuman and their advisers held a series of meetings on world problems at London, May 11–13, 1950. American, British, and French Representatives met in London in late April and early May for a series of preliminary meetings in preparation for the meetings of the Foreign Ministers. At the first trilateral meeting of American, British, and French Representatives on April 28 (reported upon in telegram Secto 45, April 28, from London) there was a discussion of the need for caution in dealing with Eastern European exiles and the possible value of tripartite consultations regarding dissident developments in the Eastern European states. In the discussion, American Representatives were guided by the policy set forth in recommendation 5 of the undated paper prepared in the

Office of Eastern European Affairs, page 14. At their first formal tripartite meeting on May 11 (reported upon in telegram Secto 230, May 11, from London), Secretary of State Acheson, Foreign Secretary Bevin, and Foreign Minister Schuman gave general agreement to a tripartite position paper (MIN/TRI/P/4, May 9) which included a section (iii) setting forth an agreed attitude to be adopted toward the Soviet Union and the Eastern European satellites. Paragraph 16 of MIN/TRI/P/4 reads as follows:

"16. Although exiles and political refugees from satellite countries should be used with caution, opportunities exist for their judicious use. The United States, United Kingdom and France should consult with a view to coordinating their attitudes on this problem."

For the full text of MIN/TRI/P/4, see volume III, page 1078. For complete documentation on the London meetings, see *ibid.*, pages 828 ff.

760.00/6–650

Memorandum of Conversation, by the Director of the Office of Eastern European Affairs (Yost)

CONFIDENTIAL [WASHINGTON,] June 6, 1950.

Participants: Mr. George Ignatieff, Counselor, Canadian Embassy
Mr. B. A. Wallis, Second Secretary, Canadian Embassy
Charles W. Yost, EE
John C. Campbell,[1] EE

Mr. Ignatieff called today at his request in order to obtain information the way in which the US Government had handled the problem of Eastern European political *émigrés*. He said that such information might be helpful to the Canadian Government in deciding how to deal with requests made by *émigré* groups in Canada to be permitted to organize and to obtain official support. He asked specifically concerning the various National Councils and Committees and the National Committee for Free Europe in New York. Mr. Campbell sketched briefly the circumstances which had led to the formation in this country of these various national groups and to the establishment last year of the National Committee. He emphasized that the latter was a private corporation with no official status but indicated also that its activities were in line with this Government's objectives and had the Department's moral support.

Mr. Ignatieff stated that the Canadian Government had been cautious in its approach to this problem in Canada. Behind this attitude were two basic reasons. First, Canada was not attempting to play the

[1] Officer in Charge of Balkan Affairs, Office of Eastern European Affairs.

role of the great power and therefore did not wish to become involved in the politics of these Eastern European nations; second, Canada's tradition in dealing with immigrants was one of assimilation rather than of treating these people as members of foreign national groups. However, he continued, the Canadian Government was now faced with the specific problem of whether and how to encourage *émigré* leaders now in Canada to form organizations and engage in political activity. He asked whether the *émigré* committees in the US had been useful to the US Government. Mr. Yost said that these groups had been useful for American policy since they symbolized for the peoples of Eastern Europe the promise of a freedom which they had lost and might eventually regain. Furthermore, they were sometimes helpful in providing information and advice, particularly in connection with propaganda to those countries. Mr. Campbell pointed out that, while there was still a good deal of internal wrangling within the national committees, nevertheless, their formation had been useful to the Department in lessening the centrifugal forces within the various *émigré* groups. Also, the National Committee for Free Europe had taken the burden of day-to-day dealing with the exiles off the Department's shoulders. Mr. Yost said that we hoped that the help given to these exiles by the National Committee for Free Europe would enable them to make some contribution to the future of their countries and thus to the achievement of our own foreign policy objectives.

Mr. Ignatieff did not indicate what the Canadian Government intended to do on this question. He thought that consideration might be given to the establishment of an organization similar to the NCFE and possibly collaborating with it.

CHARLES W. YOST

760D.02/8-650

Memorandum by the Assistant Secretary of State for European Affairs (Perkins) to the Secretary of State

CONFIDENTIAL [WASHINGTON, undated.]

Subject: Request of Chiefs of Mission of Baltic States for interview

Discussion

With the approval and support of his two Baltic colleagues, the Lithuanian Minister[1] called at the Department on June 12 to say that the chiefs of mission of the three Baltic States would very much appreciate an opportunity as early as convenient after June 15 to call jointly on you for the purpose of expressing the thanks of the in-

[1] Povilas Zadeikas.

habitants of their respective countries for the policy consistently followed during the past ten years by the United States toward Lithuania, Latvia, and Estonia. This summer will mark the end of the tenth year of the incorporation of the three Baltic States by the Soviet Union—an action which the United States has never recognized. These States have no governments-in-exile, but the United States has continued to recognize their diplomatic and consular representatives in this country.

The Baltic States were among the first independent states of Europe to fall under Soviet control, and during the past decade their diplomatic representatives in this country have striven quietly but valiantly to keep the plight of their countries before the Government and people of the United States. They always respond vigorously to any action or policy of this Government which they feel might be interpreted as a modification or a relaxation of our long-established policy toward their countries. They have been grateful for the support given by the United States to the Convention on Genocide [2] and they are pleased at the prospect, if the 1951 Budget permits, of broadcasts by the Voice of America to the inhabitants of the three countries.

The reception of the three Baltic diplomats by you would be a step of some significance at this time. It might well provoke a propaganda outburst from the USSR and the satellites, but it would be in line with our undeviating policy of non-recognition of the absorption of these states by their more powerful neighbor. Their reception would be a friendly gesture underlining and reaffirming our policy and would bring some hope and encouragement not only to the long suffering Lithuanians, Latvians, and Estonians, but also to the peoples of other nations now enslaved by the USSR.

Recommendation

If you approve and can possibly spare the time, it is recommended that the three Baltic chiefs of mission be received jointly for a brief interview some time between June 15 and the end of that month.[3]

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[2] See footnote 2, p. 342.

[3] According to a memorandum of August 7 by Harold C. Vedeler, Office of Eastern European Affairs, not printed, an appointment for the Lithuanian, Latvian, and Estonian Chiefs of Mission with the Secretary of State was arranged for June 30. The appointment was, however, postponed due to the press of business arising from the Korean crisis.

711.11-TR/7-450

Memorandum by Mr. Charles E. Hulick, Jr., of the Office of Eastern European Affairs to the Director of That Office (Yost) [1]

CONFIDENTIAL [WASHINGTON,] July 14, 1950.

Subject: Acknowledgment of Bulgarian National Committee's Communication to the President.[2]

The attached letter of acknowledgment addressed to the President of the Bulgarian National Committee [3] has been drafted in accordance with the recommendations contained in the EE paper of June 28, 1950,[4] dealing with this policy question, and Mr. Campbell's memorandum of May 9 [4] on the subject of implementing the Secretary's Berkeley speech,[5] copies of which are attached.

This letter, over the signature of the Deputy Assistant Secretary for European Affairs, which represents a departure from past policy of limiting the substance to simply one or two-sentence polite acknowledgments from PL, is based upon the following considerations:

1. Diplomatic relations have been suspended with Bulgaria.[6]
2. The Bulgarian National Committee, under Dr. G. M. Dimitrov as President, was formed in Bulgaria in 1944 and enjoys the confidence of the Bulgarian people.
3. The activities of the Committee abroad represent at one and the same time the one source of hope to the Bulgarian people and a disturbing potential threat to the Bulgarian Communists.
4. In order to maintain the effective support of all democratic elements among Bulgarian refugees abroad and to ward off efforts of the Communists to disrupt its unity, the Committee needs the moral support of the US Government even if this is expressed in an indirect way.

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[1] In a memorandum of July 20 to G. Frederick Reinhardt, Deputy Director of the Office of Eastern European Affairs, not printed, Robert P. Joyce of the Policy Planning Staff expressed general agreement with this memorandum (611.61/7-2050). Some of Joyce's specific comments are described more fully in footnotes 3 and 7, below.

[2] On July 4, 1950, Dr. George M. Dimitrov, President of the Bulgarian National Committee, sent the following telegram to President Truman:

"On this glorious day of American independence allow me to offer our expression of admiration for the American championship of liberty and independence for all nations so resolutely demonstrated in the Korean crisis."

[3] For the text of the letter sent to Dimitrov on July 27, see p. 358. It cannot be determined whether there were any differences between the draft letter originally attached to the source text and the text ultimately sent. In his memorandum of July 20 (see footnote 1, above), Joyce commented as follows:

"1. It seems to me that this communication is too long and, in general, too much of a good thing. I think we might shake Dr. Dimitrov warmly by the hand rather than covering him with large kisses."

[4] Not found in Department of State files.

[5] The reference here is to an address on tensions between the United States and the Soviet Union made by the Secretary of State at the University of California at Berkeley, California, on March 16, 1950. For the text, see Department of State *Bulletin*, March 27, 1950, pp. 473–478.

[6] For documentation on the severance of diplomatic relations with Bulgaria, see pp. 503 ff.

5. Although the attached letter carefully avoids the question of direct, official endorsement and support of the Bulgarian National Committee, it does imply indirectly that the Committee enjoys the moral support of the US Government.

6. Nothing has been expressed in the body of this letter which has not already been expressed in official policy statements of this Government or the Secretary of State.

7. If the Committee uses this exchange of correspondence in its radio program conducted by the National Committee for Free Europe, it is believed it would be most effective within the framework of an improved psychological warfare policy directed against the Bulgarian Communist Government. It would serve the dual purpose of encouraging the non-Communist population and increase the concern and discouragement which has become evident recently within the ranks of the Bulgarian Communists.

8. Possible complaints by the national committees of other Eastern European countries that they do not receive the same expression of moral support and consideration could, if necessary, be effectively countered with the truthful statement that this is not possible so long as the US maintains diplomatic relations with the present governments of these countries.[7]

[Charles E. Hulick, Jr.]

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[7] In his memorandum of July 20 (see footnote 1, above), Joyce commented as follows:

"2. I agree with Hulick that, for the reasons he adduces, we can and should be more forthcoming to the Bulgarian National Committee than we should with, for example, the Rumanian National Committee. The latter is composed mainly of personalities who are relatively unknown in Rumania. The Committee is split several ways and rent with intrigue and picayune quarreling. The Rumanians have very little potential to assist us in any psychological warfare effort.

"3. I think we might give the Rumanians a polite bow. The nature of the Department's stance vis-à-vis the other National Committees and Councils should depend on their composition, behavior and usefulness to us and I don't think that it is necessary to develop a formula to be used to cover all of the National Committees indiscriminately."

611.60A/7-2050

Memorandum by the Under Secretary of State (Webb) to Mr. Matthew J. Connelly, Secretary to the President

SECRET [Washington,] July 20, 1950.

Subject: Baltic-American delegation's request for audience with the President on July 27

I have your memorandum of July 13 which requested the Department's comments on an attachment to your communication, a letter of July 11 addressed to the President by Dr. P. Grigaitis, Secretary of the Lithuanian American Council, Inc., in which it was proposed that the President receive a delegation of Americans of Estonian, Latvian

and Lithuanian descent on or about July 27, the anniversary of the date on which the United States recognized those countries in 1922.[1]

As you know, the year 1950 also marks the tenth anniversary of the enforced incorporation of Estonia, Latvia and Lithuania into the Soviet Union. The United States Government has not recognized that incorporation and continues to recognize the diplomatic and consular representatives of those Baltic countries in the United States.

Shortly prior to the Korean crisis, the Estonian, Latvian and Lithuanian chiefs of mission in the United States requested an appointment with the Secretary for the purpose of noting the abovementioned tenth anniversary and expressing appreciation for the policy of the United States Government toward the Baltic States since 1940. Due to the Korean crisis and the Department's desire not to disturb unnecessarily our relations with the Soviet Government during this critical period, the appointment, which had been arranged, was postponed.[2]

While the question of receiving a delegation of American citizens of whatever lineage is primarily an internal matter, an audience such as the one proposed by Dr. Grigaitis would probably be regarded by the Soviet Government as an interview granted by the President to unofficial representatives of Estonia, Latvia and Lithuania. In view of this it is suggested that the same policy considerations guiding the Department with respect to the appointment requested by the official Baltic representatives with the Secretary are valid as well in the present case insofar as a foreign policy aspect is concerned.

The Baltic chiefs of mission in the United States were informed that the Secretary would not be able to see them at this time due to the press of official business in connection with the Korean crisis. A similar reply might be made to Dr. Grigaitis' request for an audience with the President.

With respect to the request for proclamation of July 27 as "Lithuanian Day" it is believed advisable from the standpoint of the foregoing considerations that this action not be taken. It may also be noted that the proclamation of a "Lithuanian Day" would encourage other groups in this country to make similar requests.[3]

JAMES E. WEBB

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[1] Neither the memorandum nor the letter under reference here is printed.

[2] Regarding the requested appointment with the Secretary of State under reference here, see the memorandum from Assistant Secretary Perkins to the Secretary of State, p. 352.

[3] The President neither granted an audience for a delegation of Baltic Americans nor issued the requested proclamation.

611.60A/7-2750

Memorandum of Conversation, by Mr. Valdemar N. L. Johnson of the Office of Eastern European Affairs

CONFIDENTIAL [WASHINGTON,] July 27, 1950.

Participants: Mr. Povilas Zadeikis, Lithuanian Minister
Mr. Jules Feldmans, Chargé D'Affaires of Latvia
Mr. Johannes Kaiv, Acting Consul General in Charge of Legation of Estonia
Mr. George W. Perkins, Assistant Secretary for European Affairs
EE—Mr. Johnson

The three Baltic Chiefs of Mission called on Assistant Secretary Perkins today at their request. They noted that the occasion had particular significance as the twenty-eighth anniversary of the day on which recognition had been granted by the United States to Estonia, Latvia, and Lithuania on July 27, 1922.

On behalf of his colleagues, the Lithuanian Minister handed Mr. Perkins an *aide-mémoire*[1] which emphasized the following points: (1) the appreciation of the Baltic countries for the policy followed by the United States during the past ten years of refusing to recognize the incorporation of the Baltic States into the Soviet Union; (2) the request that the United States support the consideration in the United Nations of the "genocidal mass deportations and the appalling situation in general in the Baltic States so that the offender may be exposed and the victims be given adequate satisfaction in their heroic struggle for independence"; and (3) the approval by the Baltic representatives of the course of action taken by the United States and the United Nations in Korea.

Mr. Perkins stated that the Department was pleased to note the appreciation expressed for United States policy followed toward Estonia, Latvia, and Lithuania as well as the approval voiced of United States policy with respect to the situation in Korea. He added that this Government continues to be opposed to aggression in every form as well as the domination of one country by another, and desires in cooperation with other nations to establish a world order in which all peoples will have the right and the opportunity to choose freely the form of government under which they wish to live. Mr. Perkins observed further that our continued recognition of the Baltic States and our efforts in cooperation with member states of the United Nations to oppose the present aggression in Korea offer ample evidence of our policy in this regard.

[1] Dated July 27, 1950, not printed.

Mr. Perkins informed the Baltic representatives that their request with respect to consideration by the United Nations of the deportation of Baltic peoples and the general situation in the Baltic States would be referred to the Department's representatives directly concerned with United Nations affairs.

Mr. Feldmans introduced the subject of the failure of various European countries to recognize the independence of the Baltic States. This matter is discussed in a separate memorandum of this date.[2]

[VALDEMAR JOHNSON]

[2] In a separate memorandum of conversation of July 27, not printed, Valdemar Johnson noted that during their call on Assistant Secretary Perkins, the Baltic Representatives brought up the subject of the failure of various European countries to follow a policy of nonrecognition with respect to the Soviet incorporation of Estonia, Latvia, and Lithuania. They pointed out that the situation varied considerably in different countries. The representatives indicated that they would appreciate any possible efforts on the part of the United States Government to approach informally the governments involved and "suggest" to those governments that they change their policy to one of overt nonrecognition of the incorporation of the Baltic States. Assistant Secretary Perkins stated that the request would be taken under advisement (760D.02/7–2750).

711.11–TR/7–450

The Secretary of State to the President of the Bulgarian National Committee (Dimitrov) [1]

[WASHINGTON,] July 27, 1950.

MY DEAR DR. DIMITROV: On behalf of the President, I have been requested to acknowledge the receipt of the Bulgarian National Committee's message of felicitation on the occasion of this country's celebration of its national independence on the Fourth of July.[2] The Committee's expression of understanding and support for the actions taken by the United States in defense of liberty and independence in Korea is greatly appreciated.

The people of the United States are motivated by a sincere desire to see liberty and freedom enjoyed by the peoples of all nations. They are aware that, following World War II, the people of Bulgaria were among the first to suffer under ruthless Communist suppression of liberty and freedom. Through the Bulgarian National Committee and the radio voices of the free world the Bulgarian people know that, in spite of the efforts of the Communist Government to isolate them by forcing a suspension of diplomatic relations, the United

[1] This letter was drafted by Charles E. Hulick, Jr., of the Office of Eastern European Affairs, was also initialed by G. Frederick Reinhardt, Deputy Director of the Office of Eastern European Affairs, and had the concurrence in substance of Robert P. Joyce of the Policy Planning Staff. Regarding the preparation of this letter, see Hulick's memorandum of July 14, p. 354.

[2] For the text of Dimitrov's communication of July 4, see footnote 2, *ibid.*

States Government will continue undiminished its concern for their rights and welfare.

Mindful of its expressed concern for the just aspirations of the Bulgarian people, the United States Government, through the United Nations, will continue its efforts to bring about the fulfillment of the pledge made at Yalta to assist in the establishment of freely elected governments. As the Committee is aware, the Secretary of State in a public address, recently reminded the Soviet Government of its obligations under this pledge to which Marshal Stalin also set his signature.

Sincerely yours,

For the Secretary of State:
JAMES C. H. BONBRIGHT
Deputy Assistant Secretary of State for European Affairs

Secretary's Memoranda : Lot 53 D 444 : Memoranda for the President [1]

Memorandum by the Acting Secretary of State to the President [2]

[WASHINGTON,] September 22, 1950.

Subject: Visit of General Anders to the United States

I am informed that General Anders, who you will recall was the distinguished Commander of the Polish Corps in Italy during the last war, after completing a visit in Canada where he has been invited by the Governor General, Viscount Alexander, will arrive in Washington on September 24 and remain in the United States until the middle of October. He will participate in observances of Pulaski Day in New York on October 1 and will deliver a lecture on the Battle of Monte Cassino at Georgetown University in this city on October 13. It is understood that he will visit here a number of friends and officers of the United States Armed Forces with whom he was associated in the last war and that he may appear before Polish-American groups in other cities.[3]

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[1] Lot 53 D 444 is a comprehensive chronological collection of the Secretary of State's memoranda and memoranda of conversation for the years 1947–1953, as maintained by the Executive Secretariat of the Department of State.

[2] A copy of this memorandum was also sent to Secretary of Defense George C. Marshall. The memorandum was drafted by Harold C. Vedeler, Officer in Charge of Polish, Baltic, and Czechoslovak Affairs, Office of Eastern European Affairs.

[3] A Central Intelligence Agency report of September 15 to the Secretary of State, not printed, indicated that Gen. Wladyslaw Anders intended to visit Canada and the United States in order to strengthen the prestige of the Polish Government in Exile in London and to make the following proposition to American authorities: If the United States Government would look upon the London Polish Government in Exile as the legal Polish Government in case diplomatic relations were severed with the Warsaw regime in the future or in the event of war, the London Government (i.e., General Anders) would arrange to furnish about five divisions of troops from among the former Polish soldiers currently in Great Britain (748.00/9–1550).

General Anders is connected with a group of Polish exiles with headquarters in London known as the "London Government". This is one of three rival political organizations of the Polish refugee leaders.

It is possible that a request may be made that you receive General Anders during his stay in the United States. It is believed undesirable from a foreign policy standpoint, in spite of his outstanding contribution to the Allied campaign in Italy, that you receive him in view of his well known and outspoken predilection for a preventive war and the complications such a visit might cause with respect to rival groups of Polish *émigrés*.

JAMES E. WEBB

766.00/10-1950

Memorandum of Conversation, by the Officer in Charge of Balkan Affairs, Office of Eastern European Affairs (Campbell)

CONFIDENTIAL [WASHINGTON,] October 19, 1950.

During a call made by Mr. Visoianu [1] at his request to present the views of Rumanian exiles on certain matters now before the UN, Mr. Visoianu said that he wished to bring me up to date on developments concerning the Rumanian National Committee. He said that the Radescu–Gafencu–Caranfil–Farcasanu [2] group had not attended the meeting of September 9 in New York and had refused to go along with the proposal for an executive committee of three (Gafencu, Visoianu and Popa [3]) which had been made by the King.[4] Therefore the majority (Visoianu, Cretzianu, Popa, Bianu, Zissu,[5] to which has recently been added Crihan, who is still in Europe) had no alternative, Visoianu said, to carry on as the Rumanian National Committee although regretting the absence of those who refused to accept the King's decision. He then complained strongly of the attitude of the NCFE, which he said had from the start listened only to Radescu and Gafencu and never consulted the Committee as such or the other members individually. He showed me a letter he had recently received

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[1] Constantin Visoianu, former Romanian Foreign Minister and a member of the *émigré* Romanian National Committee.

[2] Gen. Nicolae Radescu, former Romanian Foreign Minister (1945–1946) was President of the Romanian National Committee, and Grigore Gafencu, Nicolae Caranfil, and Mihail Farcasanu were members of the Committee.

[3] Augustin Popa, an exiled leader of the Romanian National Peasant Party, was also a member of the Romanian National Committee.

[4] King Michael (Mihai) who abdicated the Romanian throne on December 30, 1947, and went into exile.

[5] Alexander Cretzianu, a former Romanian Minister to Turkey, Cornel Bianu, a leader in the Romanian National Peasant Party, and Iancu Zissu, a leader in the Romanian Social Democratic Party, were also members of the Romanian National Committee.

from the NCFE which stated that the NCFE had "found that the former Rumanian National Committee is in a state of dissolution" and accordingly would not continue its financial support. Mr. Visoianu said that this letter would have very unfortunate consequences throughout the Rumanian immigration. He said that the NCFE had placed itself in a position of opposition to the King by refusing to accept the way in which he had dealt with the situation. Rumanians throughout the world would take this as a sign that the US did not have confidence in the King. This he said would be most unfortunate because the King still had great prestige in the country and was essential as a national symbol. He said that the Rumanian Committee was not in a state of dissolution, that it had taken certain decisions on the basis of the King's proposals by majority vote, and that it intended to go ahead and do some constructive work. I said that while I could not speak for the NCFE, I wished to point out that the NCFE in defining its attitude toward groups and committees which purported to speak in the name of one or the other of the captive nations of Eastern Europe, had to consider (1) whether such groups were in fact broadly representative of the people of that nation and of the emigration, and (2) whether they actually were engaged in constructive work or gave promise of doing so. He agreed, but said that it was the fault of Radescu that the Rumanian Committee had done nothing for the last six months. He said that the Committee would continue to be broadly representative and gave as his personal opinion that the four who refused to cooperate had no substantial following anyway. He said that Radescu might still have some prestige in Bucharest, but that in any case his senility made it impossible for anyone else to work with him. He said that Gafencu was well thought of in international circles but not in Rumania, where he was remembered as a loyal servant of King Carol. He said that Caranfil was unknown in Rumania and that Farcasanu had been taken on the Committee originally as representative of the Liberal Party only because a better representative with more standing had not been available at the time.

I said that I was not in a position to make any comment on this situation as an officer of the Department. I said that in general the Department had favored the idea of cooperation among the *émigré* leaders of each Eastern European nation as a means of maximizing the contribution which the *émigrés* would make to the general cause of freedom. I said that the NCFE had to base its attitude toward individual groups and exiles in large measure on what they were doing or could do to further the common cause. I said that, if at some time in the future it became apparent that the Rumanian Committee was a going concern and was broadly representative, the NCFE might have a different view than that which was expressed in the letter referred to above. I asked Mr. Visoianu what were the possibilities

of patching up the differences with the other group and reconstituting the Committee. He said that there was no possibility at all of working with Radescu, but he did not feel so strongly about Gafencu and the others.[6]

[JOHN C. CAMPBELL]

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[6] Alexander Cretzianu called on Campbell on December 6 to express in strong terms his views on the recent actions of the National Committee for Free Europe in dealing with conflicts within the Romanian National Committee. He repeated most of the same points made by Visoianu. In his memorandum of the conversation, not printed, Campbell summarized his rejoinder to Cretzianu as follows:

"I told Mr. Cretzianu that the Department had not concerned itself with the details of the developments within the Rumanian Committee or its relations with the NCFE. I said that the Department had welcomed the original formation of the Rumanian Committee as a means whereby Rumanian exiles could work more effectively for their country and for the cause of freedom, and that accordingly we regarded as unfortunate the recent events which had split the Committee and reduced it to quarrelling factions. With regard to the King, I said that the Department had not changed its views in any way; we were fully aware of the significant role which he had played in 1944 and in the period up to his abdication; while we did not recognize that he had any special constitutional rights in connection with the affairs of Rumanian exiles in this country, we continue to regard him as an important factor in Rumanian affairs." (740.00/12-650).

ALBANIA

ATTITUDE OF THE UNITED STATES TOWARD THE ALBANIAN REGIME[1]

667.81/1–1450 : Telegram

The Secretary of State to the Embassy in Greece

TOP SECRET WASHINGTON, January 14, 1950—4 p. m.

74. Dept has recd memo from another agency stating . . . Athens [source] approached by Rendis [2] re Grk plan for Greco-Albanian confederation and requested by Rendis to discuss further with Papagos [3] and Pipinelis.[4] Emb reportedly informed by . . . [source] of conversation.

Dept's reply informs other agency that Dept already aware this project which it considers unfeasible and undesirable, especially in light of anti-Grk attitude majority Albanians, and containing danger of serious complications with Itals, Yugos and Soviet bloc. Reply adds . . . [source] shld not participate in discussion this polit subj with Grk officials who, if persistent, shld be referred to Amb. Also recommends against any operational arrangements by other agency designed promote Grk project.

Suggest you approach Grk FonOff and emphatically discourage them from undertaking any such plan. US wld give no support to project which Dept considers (1) inconsistent with Albania's right to independence to which US has subscribed since first World War (2) likely to embroil Grks with Albanians and also with Yugos and thus not only to damage Greece's own interests and position but also to provide new source of instability in Balkans and danger to world peace. You may tell Grks that we strongly oppose any operations or arrangements with *émigré* Albanians looking toward action in Albania with objective of establishing union or any other exclusive arrangement between Albania and neighboring countries (viz. Grk, Yugo or Ital).

Last connection Grk Emb here recently inquired re reported Ital proposal for US-UK-Fr-Ital conversations on Albania, and said

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[1] Previous documentation on this subject is presented in *Foreign Relations*, 1949, vol. v, pp. 298 ff.

[2] Constantine Rendis, former Greek Foreign Minister.

[3] Field Marshal Alexander Papagos, Commander in Chief of the Greek Army.

[4] Panayotis Pipinelis, Greek Foreign Minister, from January 6, 1950.

Grk Govt wld regard as "incompatible with friendly relations" any such discussions which excluded Grks. Emb was informed Ital has made no such *démarche* to US (though we have since learned *démarche* was made to Fr).[5] To sugar-coat above unpalatable remarks, you may assure Grks US does not contemplate any such conversations and in any event wld not agree to participate if Grks were excluded.

ACHESON

[5] In late December 1949 the Italian Government asked the French Government whether it was prepared to take part in four-power (Italian-French-U.S.-U.K.) consultations regarding Albania. The French Embassy on January 12, 1950, informed the Department of State that France had replied negatively to the Italian proposal. The remarks summarized here occurred during a conversation on January 6 between John D. Jernegan, Director of the Office of Greek, Turkish, and Iranian Affairs, and Greek Minister Paul Economou-Gouras (memorandum of conversation by Leonard J. Cromie, January 6, 1950: 667.81/1-650).

667.81/1-2050: Telegram

The Ambassador in Greece (Grady) to the Secretary of State

TOP SECRET ATHENS, January 20, 1950—10 a. m.

155. Deptel 74, January 14.[1]

[Here follows a paragraph reporting that the Embassy had been informed of the proposed meeting with Greek officials described in the first paragraph of telegram 74, to Athens, and the decision to decline the proposal.]

Pipinelis was today given verbal summary Department's reference telegram. He said he would not hide fact that he believes (and Cabinet recently approved idea) that there can be no settlement of Albanian question which does not envisage close Greek-Albanian relations. This does not mean, he said, that Greeks are pursuing a formal plan in this regard at the present time. Greek plan is long-range and Pipinelis feels it can be developed only (1) when there is a true and peaceful Albania, and (2) on Albanian initiative. He said that the Greeks have been willing to receive emissaries from Zog[2] and other Albanians for general discussions but that these emissaries are told Greeks are acting cautiously and avoiding immediate action. He added that Kupi[3] has been given visa to come to Greece. While I see no reason why we should not place credence in Pipinelis' assurances, it should be remarked that there has beeen of late unusual activity in Greek intelligence circles re Albania.

Pipinelis asked me to thank Department for its assurance that US does not contemplate conversations and would not agree participate

[1] *Supra.*
[2] Former Albanian King, living in exile.
[3] Abas Kupi, anti-Communist Albanian leader, living in exile.

if Greeks excluded. He added that he would be interested to know what American plans and views are regarding Albania and declared that Greece would be ready at any time to discuss such questions with American representatives to insure that we work in same direction.

GRADY

Editorial Note

Lord Jellicoe, the Second Secretary of the British Embassy in Washington, called on Llewellyn E. Thompson, Deputy Assistant Secretary of State for European Affairs, on February 15 to deliver a letter setting forth the British Foreign Office's considered comments on the Department of State policy paper of September 21, 1949 on Albania (*Foreign Relations*, 1949, volume V, page 320), a copy of which had been given to the British Embassy in October 1949. In his letter and orally, Jellicoe explained that the Foreign Office fully agreed with United States policy if its implementation were viewed as a long-term objective. On the other hand, the British felt that Yugoslavia was currently hard-pressed, that the pressure on Yugoslavia would increase during 1950, and that the current overriding consideration was to avoid any activity with respect to Albania which would increase the danger of Yugoslavia's position. Thompson indicated to Jellicoe that the British comments seemed in general to accord with the thinking of the Department of State (Jellicoe letter to Thompson, February 15 and memorandum of conversation by Thompson, February 15: 611.67/2–1550).

767.02/2–1650: Airgram

The Secretary of State to the Embassy in Greece [1]

SECRET WASHINGTON, February 16, 1950.

A–103. Reurtel 155, January 20 [2] concur declination Rendis invitation talk regarding Albania.

You may pass following views Department regarding Albania to Foreign Office: (1) United States has no immediate "plans" for Albania beyond present policy (attitude non-recognition, condemning conduct regime, participating concerted measures against Albania such as GA arms embargo, and obtaining maximum intelligence). (2) As Greek Government previously informed, believe Albania has right

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[1] Copies of this airgram were sent for information only to Belgrade, London, Paris, and Rome.

[2] *Ante*, p. 364.

independence, self-government. While recognizing these two rights now denied by both Soviet domination and communist leadership, United States does not contemplate active measures against present regime other than indicated (1) above. (3) Believe neighboring states (Italy, Greece, Yugoslavia) despite provocation given latter two should also refrain intervention. United States would strongly warn any of them against intervention if seemed likely. In case of Yugoslavia, present events including Yugoslav-USSR situation and Yugoslav role United Nations, seem indicate that Yugoslav Government wishes avoid trouble over Albania and does not contemplate intervention.[3] (4) United States sympathetic towards efforts Albanian *émigré* leaders work for liberation of country but has no commitments to any leaders or groups and believes outside powers should not engage in activities these *émigrés* involving attempts overthrow present regime. Department observed with interest formation Free Albanian Committee by Albanian political exiles. However, Departments impression, death of leader Midhat Frasheri[4] has aggravated dissension among Albanian elements concerned with Committee and has kept it from making much progress. (5) At present Albania does not add element strength to Soviet bloc. While some threat renewal guerrilla war against Greece from Albania still exists, regard it unlikely and consider more to gain at present by limited policies extant than by active intervention. (6) Recognize importance Albanian question to Greece and particular danger which unfriendly regime in Albania now represents to Greek security. United States would consult Greece and other interested states in any general reconsideration Albanian problem as international issue.

ACHESON

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[3] On January 4 the British Embassy informed the Department of State of the substance of a conversation on Albania between the British Ambassador in Yugoslavia, Sir Charles Peake, and Yugoslav Foreign Minister Edvard Kardelj. Kardelj stated that Yugoslavia had no intention to intervene in Albania. To do so would destroy Yugoslavia's own position in defending its own independence against pressures from the Soviet Union. Kardelj stated further that he believed that the current Albanian regime should and would be changed but that such a change should be the result of Albanian enterprise (memorandum of conversation by John C. Campbell, January 4, 1950: 667.68/1–450). On January 26 Gabriel Van Laethem, the Second Secretary of the French Embassy in Washington, informed John C. Campbell, the Officer in Charge of Balkan Affairs of the Department of State, that the French Government believed that Albania should be left alone for the time being. The French felt that the consequences of intervention by Yugoslavia or Greece or the Western powers would be unpredictable and probably worse than the current state of affairs. Campbell stated that the United States had the definite impression that Yugoslavia felt it was in its own interest to avoid all appearances of intervention in Albania. Campbell added that if Yugoslav intervention appeared likely, the United States probably would wish to consult with the British and French Governments with a view to warning Yugoslavia against taking such action (memorandum of conversation by Campbell, January 26, 1950: 768.00/1–2650).

[4] Albanian exile leader and President of the Free Albania Committee who died in New York in October 1949.

AUSTRIA

PROBLEMS OF OCCUPATION: UNITED STATES CONCERN OVER OCCUPATION COSTS; THE CHANGE TO CIVILIAN HIGH COMMISSIONERS; THE COURSE OF FUTURE UNITED STATES POLICY WITH RESPECT TO AUSTRIA; EFFORTS TO TRANSFER GREATER AUTHORITY TO THE FEDERAL GOVERNMENT; UNITED STATES POLICY TOWARD THE CIVIL DISTURBANCES AT THE END OF SEPTEMBER[1]

663.001/1–1650 : Telegram

The Minister in Austria (Erhardt) to the Secretary of State

SECRET VIENNA, January 16, 1950—6 p. m.

67. Soviet attitude at Friday's Allied Council meeting[2] was marked by more than usual toughness and strong denunciations of Austrian Government and of Western Occupation Powers.

Zheltov[3] in discussing currency conversion ordinance accused Austrians of acting on US orders contrary to Austrian interest. Devaluation is a "plot behind the back of the Austrian people" to give the US an extra 1,300,000,000 schillings a year at the expense of higher prices, unemployment, poorer conditions for workers.

Although extradition of war criminals has been on agenda of almost every EC meeting for almost two years and has not usually been referred to AC because attitudes of all powers are well-known, Soviets sent it this time to AC and accused Western Powers of "definite attitude of patronizing war criminals," implied Austrians give US and Britain information they hide from Soviets.

Soviets demanded establishment of camps for implicated Nazis; other elements pointed out [Denazification Law of 1947?] now provides for such camps only for Nazis who are "extreme danger" to Austrian Democracy and saw no such danger. Zheltov then referred to his previous exposes of Nazi danger, accused US of attitude which "creates an especially-favorable atmosphere for further activities of anti-democratic Nazi elements" and three Western Powers of "reluctance to take correct, practical measures against the revival of Nazis".

Another important item on agenda was Chancellor's letter to AC deploring deterioration of security in lower Austria and asking right

[1] For previous documentation, see *Foreign Relations*, 1949, vol. III, pp. 1258 ff.

[2] A full report on the Allied Council meeting of January 13 and the Executive Committee meeting on January 6 was transmitted in telegram PC–22554, January 13, from Vienna, not printed (763.00/1–1350).

[3] Col. Gen. Alexei Sergeyevich Zheltov, Soviet Deputy High Commissioner for Austria.

to use arms in self-defense against persons in allied uniform.[4] Soviets stated security lower Austria purely Soviet matter, not subject allied discussion. Because of many Nazis in police and because "democratic elements are now being expelled" (evidently reference to very cautious but long-standing efforts Helmer [5] to oust Communists from positions of influence in police) he could not agree to Chancellor's request.

Also discussed was Chancellor's protest re countermanding by Soviets of order from Minister of Interior removing two police officials in St. Poelten. Zheltov again refused to discuss on grounds matter is within competence of Soviet High Commissioner. Asked why Austrians ask US and British aid in such matters, and why police dismissed in Soviet Zone as unfit are hired in US-Britain Zones.

Such denunciations by Soviets are not new, but vigor and intensity of Zheltov's charges last Friday were especially marked. Although Zheltov generally prefers to debate extemporaneously, his statements this time were all prepared in advance and read.[6]

ERHARDT

[4] No record of Chancellor Leopold Figl's letter to the Allied Council has been found in Department of State files.

[5] Oskar Helmer, Austrian Minister of the Interior.

[6] In commenting further on the Soviet attitude, Legation Vienna reported:

"Assuming that Soviets have decided prevent or at least delay agreement on treaty, Legation believes their attitude here can be explained merely as attempt intimidate Austrian Government and people into acquiescence this Soviet decision. It cannot be excluded, however, that there may have been basic alteration in Soviet strategy for their fundamental aim of eventual integration of Danubian Basin areas. In our view, this would mean that Soviets have abandoned for present their expectation that Austria could be harvested as plum from tree at convenient opportunity after treaty came into effect; that they realize liquidation of Tito regime will be longer, more difficult task than they first anticipated, and that they must proceed now with further integration areas they control, including Eastern Austria." Telegram 101, January 19, from Vienna, not printed. (663.001/1-1950)

663.001/1-2750

Memorandum of Conversation, by the Officer in Charge of Italian-Austrian Affairs (Williamson)

SECRET [WASHINGTON.] January 27, 1950.

Participants: Mr. Arnauld Wapler, Counselor, French Embassy
Mr. Francis T. Williamson, WE

Mr. Wapler called today to read instructions received from the French Foreign Office respecting future policy in Austria in the event that the Treaty is not concluded. His instructions stressed the desirability of taking steps in Austria which would relieve the burden of occupation but would not prejudice the negotiations for the Treaty [1]

[1] For documentation on the negotiations of the Deputies for Austria at the Council of Foreign Ministers for an Austrian Treaty, see pp. 430 ff.

or lead to any weakening of the quadripartite system. The instructions stated that the French Government would not take any steps which might contribute to the partition of Austria or create the impression that the Western Powers were seeking a separate peace in lieu of the Four-Power Treaty.

The French Foreign Office suggested that the objective of any future policy should be to strengthen the sovereign control of the Austrian Government over all Austrian territory. Both the military and civilian staffs of the High Commissioners should be reduced as a way of decreasing occupation costs and turning back to the Austrians many of the duties now performed by the occupation authorities. The controls now exercised by the occupation authorities in the zones should be terminated and as few occupation officials as possible stationed in the zones to serve as a "buffer" between the occupation troops and the Austrian authorities. The French Foreign Office stated that it would not be desirable to reduce troop strength but that considerable reduction could be made in the administrative aspects of the occupation. It was proposed that the responsibility for the maintenance of internal order in Austria in the Western zones be turned over to the Austrian Government and that the Austrian police force be strengthened in order to carry out this duty. The French Foreign Office stated that it "agreed with the U.S. position" that the High Commissioners should be military men. The reduction of the staffs of the High Commissioners, however, would reduce the demand for housing and billets now made on the Austrian Government.

The French instructions concluded by stating that any action which is taken by the Western Powers should be of such nature that retaliatory action could not be taken by the Soviet element. The French Foreign Office believed that sufficient latitude existed in the existing agreements to make possible far-reaching changes in the nature of occupation. It was proposed that conversations take place as soon as possible on this subject at a governmental level. The French Foreign Office stated that these conversations could be held in London or Washington but that it would naturally prefer to hold them in Paris.

In reply I communicated to Mr. Wapler the substance of the Department's telegram no. 115 to Vienna of January 21[2] which out-

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[2] Not printed; it reads in part:

"We do not intend to take any step which might contribute toward partition of the country or weaken Allied Council in such way as to leave Sovs in sole control. We consider that State treaty is only existing means for fulfilling international commitments respecting Austrian independence. US will continue to regard Austria as liberated area and will support in all fields authority of Aust Govt. We will continue to resist interference by Sovs in operation and authority of Aust Govt and seek to minimize unrealistic controls established in early days of Occupation." (663.001/1-2150)

lined our policy with respect to future action in Austria. In terms of the preservation of the unity of Austria there is no basic difference between the French view as proposed above and the basic policy objectives of the U.S. I told Mr. Wapler that we were considering this problem and would communicate with him at a future date. He stated that similar communication had been given to the British Government in London and that he hoped that discussions could be started at an early date.[3]

[3] The substance of Wapler's instructions was transmitted to London, Paris, and Vienna on January 30.

663.001/2–1450 : Telegram

The Minister in Austria (Erhardt) to the Secretary of State

SECRET VIENNA, February 14, 1950—7 p. m.

252. Deptel 175, January 30.[1] We agree Western Powers should take steps strengthen sovereign control Austrian Government in event no treaty. Possible actions fall into two classes: Proposals to Soviets, which it is unlikely they will accept, but which should be given full publicity to demonstrate Soviet responsibility for continued occupation; and measures which can be put into effect by Western Powers alone. Actions should, of course, not prejudice treaty negotiations, since no mitigation of occupation can satisfy Austian population as taking place of treaty nor should they endanger present functioning of quadripartite controls as long as Soviets continue reasonable adherence thereto.

In first phase we recommend proposal to Soviets for immediate termination of occupation. When this is refused, we may then press for substantial reduction of occupation forces, abolition of zonal boundaries, renunciation of occupation costs, and elimination of unnecessary functions of AC.

In likely event Soviet rejection of these proposals it will be impossible to alter basic pattern of occupation, but significant steps can be taken to ease burden somewhat. Such steps would have to go beyond French proposals; US at least has already terminated most controls in its zone and further reduction of administrative staff could not effect considerable reduction of occupation forces. We see four possible fields of relaxation:

[1] Not printed; it transmitted the substance of Wapler's instructions. (663.001/1–3050)

(1) Renunciation of occupation costs by British and French.

(2) Termination of comparatively few unilateral controls maintained in Western zones, most important being order that Military is not to deal with Austrians on local level, and abolition of all Military Government Courts.

(3) Appointment of Civilian High Commissioner, which would symbolize end of military phase of occupation.

(4) Reduction of occupation forces. Actual security functions of troops are now minimal, chief need is to have forces available in emergency. We suggest this might be met partly by encouraging Austrians to increase size and efficiency of police forces, partly by combining troops in Austria and Germany under one command so that forces could be quickly brought in if necessary. If no reduction is possible, burden of requisitioning might be decreased, and a main source of complaint against occupation forces eliminated, by stationing troops in barrack areas away from centers of population, and by initiation of housing project under US auspices, possibly from counterpart funds, to construct or repair housing units equivalent to those occupied by US Forces.

These suggestions made on assumption that unilateral Soviet actions will not fundamentally change present situation. Contrary assumption discussed separate telegram which follows.[2] In any event, and to counteract possible Soviet and Austrian misapprehensions regarding our future intentions, we recommended that any steps towards relaxation of occupation be accompanied by strong reaffirmation of our continuing interest in Austria and our determination not to desert Austrian people.

This message has been shown USFA, but in absence of High Commissioner does not, of course, have their concurrence. General Keyes may be reached through P and O,[3] Department of Army, for his comments.

Sent Department 252; repeated London 38, Paris 36.

ERHARDT

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[2] The telegram under reference here has not been found in Department of State files.

[3] Plans and Operations Division, General Staff, redesignated Office of the Assistant Chief of Staff, G-3, effective March 1, 1950.

S/S–NSC Files : Lot 63 D 351 : NSC 63 Series

Report to the President by the National Security Council [1]

TOP SECRET [WASHINGTON, February 16, 1950.]

NSC 63/1 [2]

PROPOSED U.S. POLICY IN THE EVENT OF A BLOCKADE OF VIENNA FOR ISSUANCE TO THE COMMANDING GENERAL, U.S. FORCES IN AUSTRIA [3]

a. All United States personnel under the command of the Commanding General of the United States Forces in Austria should act with utmost correctness in order to give no pretext to the USSR for imposing a blockade;

b. The United States authorities should make full and frequent use of all existing United States rights in the Soviet Zone of Austria in order to detect the earliest possible evidence of imposition of Soviet restrictions, and in order to preclude any possibility of forfeiture of these rights through disuse. Where such rights are not already being regularly used, they should be resumed by steps in order not to excite special comment or attention;

c. United States authorities in Austria should protest vigorously against any Soviet notification or administrative orders limiting, interrupting, or discontinuing United States traffic or other rights;

d. Traffic between Vienna and the zones of the western powers in Austria should not be limited, interrupted, or halted on a mere administrative order or notification by the Soviets that movements will not be permitted;

e. Vehicles should continue to attempt to transit the corridor and each airport access road. If definitely confronted by a military road block, elements of the Soviet Army, or other evidence of Soviet determination to use force as necessary, they will stop;

f. The United States authorities in Austria should make no threat of force such as mounting an armed convoy on the highway;

g. Prior to acting along the above lines, the situation should be discussed fully with the British and the French military authorities

[1] Attached to the source text were a cover sheet and a memorandum of transmission by James S. Lay, Jr., Executive Secretary of the National Security Council, neither printed. In the memorandum of transmission Lay indicated that the Council and the Secretary of the Treasury had concurred in the recommendations of the report and were submitting it to President Truman for approval.

[2] NSC 63, "A Report to the National Security Council by the Department of Defense on Policy in the Event of a Blockade of Vienna," had been submitted for consideration by the Council on February 8. (S/S–NSC Files, Lot 63 D 351, NSC 63 Series) Lot 63 D 351 is a serial master file of the National Security Council documents and correspondence and related Department of State memoranda for the years 1947–1961, as maintained by the Executive Secretariat of the Department of State.

[3] The introduction to NSC 63 indicated that it was a Joint Chiefs of Staff memorandum for the Secretary of Defense, dated January 30, requesting early approval by President Truman.

in Austria and implementing action should as far as practicable be coordinated with them; and

h. We have no information here which would indicate that the imposition of a Soviet blockade of Vienna is imminent. However, a blockade could be utilized by the Soviets in the furtherance of their policy as a means of increasing pressure on the Austrian Government or forcing the Western Powers out of Vienna. Caution must be taken in preserving the security of these instructions and no steps should be taken which would lead the Soviet authorities or the Austrian population to believe that we are taking precautionary measures in anticipation of their action, thereby providing a pretext for aggressive or probing measures on their part. This is an interim directive and in any discussions with your British and French colleagues it should be treated as an operational matter. You are requested to report immediately any action which might be interpreted as a progressive restriction on our access to Vienna.[4]

[4] Paragraph *h* was not included in NSC 63, but was proposed by Secretary Acheson at the 53d meeting of the National Security Council on February 16 and incorporated into NSC 63/1. The report was then transmitted to President Truman, who approved it on February 17. (S/S–NSC Files, Lot 63 D 351, NSC 63 Series)

663.001/2–1450 : Telegram

The Secretary of State to the Legation in Austria [1]

SECRET WASHINGTON, February 17, 1950—8 p. m.

287. Gen Keyes [2] submitted detailed comments ur 252 Feb 14. Summary fols.

"Steps taken strengthen Aust sovereign control shld not be at expense of US. Great care must be taken not to jeopardize our interests. Sovs will accept no changes which are not to their advantage. Any action on our part shld not endanger present function of quadripartite controls. All Austs are not convinced that Treaty especially in present form is desirable.

US strategic and Aust interests wld not be served by immediate termination occupation. US troops shld not be withdrawn until adequate force is in existence to preserve internal security. Withdrawal prior to strengthening *Gendarmerie* and creation army [3] wld leave Aust exposed to organized Communist groups both within Aust and receiving support from outside. Aust Govt in these circumstances cld

[1] Repeated to London as 770 and to Paris as 706.

[2] Lt. Gen. Geoffrey Keyes, United States High Commissioner and Commanding General U.S. Air Force in Austria, was in the United States for consultations with the Department of the Army.

[3] For documentation on United States interest in the formation of an Austrian Army and the arming of the *Gendarmerie*, see pp. 473 ff.

be overthrown by small organized minority guided and supported by Sovs and satellites. Fate of Czech cld be repeated.

Reduction of present Brit and Fr token forces wld have no beneficial effect on Aust economy. US troops shld not be reduced below minimum necessary to discharge assigned missions and provide security. Reduction US forces wld have adverse effect under pay-as-you-go policy. Sovs wld not accept proposal for abolition zonal boundaries as it wld permit Western Allies to penetrate Eastern zone. Not likely Sovs will agree to free movement of goods and persons. Zonal boundaries in West have no meaning.

Only changes or eliminations of functions of AC acceptable to Sovs wld be those strengthening their position at expense Western powers. No results have been obtained from previous efforts in this regard. Consequently, impossible to alter basic pattern of occupation. Existing quadripartite AC mechanism shld be maintained. US has terminated all possible controls in zone.

US has always sought renunciation of occupation costs by Brit and Fr.

Unilateral controls exercised in US zone limited to those connected with US security. US local Commanders confer with Aust officials but do not issue instrus at that level. Existence mili govt courts necessary to exercise jurisdiction over non-mili US occupation personnel and dependents as well as Austs and others. If courts abolished it will be necessary to substitute a Military Commission or allow US occupation personnel to be tried in Aust courts. Latter cannot be permitted under existing JCS directives.

Appointment of civilian High Commissioner cannot take place as long as quadripartite action in AC continues and Sovs maintain mili High Commissioner. In past Sov High Commissioner has reserved right to take action in zone as Commander in Chief when out-voted in AC. Civilian High Commissioner wld not have this possibility and wld be in disadvantageous position.

Possible for Aust Govt to increase size of police and *Gendarmerie* but such action avoided because of probable Sov reaction. Austs will probably increase security force only after Treaty initialled. Removal of troops from Aust to Ger and establishment single command not recommended. Any action to send troops back to Aust wld be overt aggressive act by US. Power of requisition has not been exercised for three years. Occupation troops now occupy former Aust and Ger barracks and are not located in centers of population."

Dept wld appreciate ur comments on foregoing. Full text fols by air pouch.[4]

ACHESON

[4] A copy of the full text of Keyes' comments is in file 663.001/2–1650.

663.001/2-2350

Memorandum by the Assistant Secretary of State for European Affairs (Perkins) to the Secretary of State

TOP SECRET [WASHINGTON,] February 23, 1950.

Subject: The appointment of Civilian High Commissioners in Austria.

In response to your request, the arguments for the appointment of civilian High Commissioners may be summarized as follows:

1. *The appointment of civilian High Commissioners would mark a progressive step in the solution of the Austrian problem.*

Military occupation has existed since 1945 in Austria. Article 9 of the Control Machinery Agreement provides that the High Commissioner may be either military or civilian. The article further provides that "A High Commissioner may be assisted in the Allied Council by a political adviser and/or a military adviser who may be respectively the diplomatic or political representative of his Government in Vienna or Commander-in-Chief of the forces in Austria of his Government". Appointment of civilians would indicate that the Western Powers are attempting to fulfill those parts of the Control Machinery Agreement which look towards the ultimate termination of military occupation even if agreement can not be reached on the Treaty.

2. *The appointment of civilian High Commissioners would have a profound psychological effect in Austria.*

This action on our part would be a demonstration of confidence in the Austrian Government and would be hailed by the dominant political parties as a progressive step, counteracting somewhat the delay in the conclusion of the Treaty. It would be a fulfillment of Article 3 of the Control Agreement which provides that one of the primary tasks of the Allied Council shall be "to assist the freely elected Government of Austria to assume as quickly as possible full control of the affairs of state in Austria".

3. *The appointment of a civilian High Commissioner is expected in Austria and would be supported by the political parties.*

The Austrian press has discussed the possibility of civilians supplanting the present military Commanders in the Allied Council and uniformly expects that such action will be taken if quick agreement is not reached on the Treaty. Such action would be welcomed by both parties in the Government coalition. The key factor in the maintenance of social stability in Austria is the Socialist Party due to the extent of party control over the trade unions. The unions have maintained excellent discipline under the occupation and strike disorder and any popular move to the left have been avoided. The Socialist Party and trade union leadership is violently opposed to military control and, in the light of the political maturity of the Austrian people, resents the political "guidance" which is given by the Western military Commanders. The People's Party leadership, on the other hand, accepts the military control as an established fact but recognizes that acceptance of it opens the Government to criticism not only in the Party, but also from the Socialists. Both parties would support the change in form of Four-Power control by the appoint-

ment of civilian High Commissioners, provided the Western troops were maintained in Austria until the conclusion of the Treaty and the withdrawal of the Soviet forces.

4. *The appointment of a civilian High Commissioner would emphasize that the objectives of Four-Power military occupation have been achieved.*

The original purposes of military occupation were the separation of Austria from Germany, the establishment of a central Government and early elections, denazification, disarmament and demilitarization. These objectives were attained in the early days of occupation. The Austrian Government is recognized by the Four Powers and participates in many international bodies. The continued existence of full fledged military occupation is an anomaly which has no basis in the Austrian scene except from the point of view of security. U.S. or Austrian security interests would not be affected since the appointment of a civilian High Commissioner would not entail the reduction of U.S. military forces in Austria. The military forces should be devoted to security duties rather than to the supervision of Austrian governmental activities.

5. *The appointment of a civilian High Commissioner would establish a unified U.S. representation in Vienna.*

As matters stand now, the High Commissioner receives instructions from the JCS, while the U.S. Minister, who is also Political Adviser to the High Commissioner, is instructed by the Department of State. Considerable difficulties have been encountered in the coordination of activities, particularly in the important and sometimes delicate function of representing the U.S. position with the Austrian Government. The Austrian question is basically a political problem and should be treated as such. We have no occupation objectives as such in Austria except the maintenance of Four Power organization until the conclusion of the Treaty. Therefore, in the interest of unified action in Austria it would be desirable to have unified representation which can deal on a diplomatic level with the Austrian Government and with the other powers in the Allied Council.

The arguments raised against the appointment of civilian High Commissioners and the replies thereto may be summarized as follows:

1. *The appointment of civilian High Commissioners would endanger the existing Four Power machinery.*

A change in status of the High Commissioners would not alter the structure of the Allied Council. The High Commissioners are of equal rank and their authority derives from the Control Agreement. This authority is the same regardless of the military or civilian status of the High Commissioners. The Four-Power machinery would remain intact and continue to function as it does at the present time.

2. *The appointment of a civilian High Commissioner would weaken the authority or power of the U.S. in Austria.*

The argument has been raised that a U.S. civilian High Commissioner would be at a disadvantage in dealing with the Soviets since the Soviet High Commissioner can take action in his zone as Commander of the Soviet forces. A U.S. civilian High Commissioner would not be at a disadvantage since there would also be a Commander of U.S. forces in Austria who could take any required action in the

U.S. zone. There would be no decrease in U.S. authority or effectiveness, particularly if the Commander of U.S. forces was Deputy High Commissioner and subject to the authority of the high Commissioner.

A balance of the foregoing arguments indicates that the appointment of civilian High Commissioners would be a significant development in the Austrian question and would be an advantage to the Western Powers by strengthening the Western position in Austria.

763.00/2-2850 : Telegram

The Minister in Austria (Erhardt) to the Secretary of State

SECRET VIENNA, February 28, 1950—6 p. m.

334. Deptel 287, February 17. We are, of course, entirely in agreement with General Keyes that steps taken to strengthen Austrian sovereignty should not be at expense US interests nor endanger continued functioning of quadripartite control agreement. In event no treaty, however, we feel we must re-assess our policy towards Austria, and determine whether or not further progress is possible and desirable along course which we have, in fact, consistently followed up to present, i.e., gradual strengthening of Austrian sovereignty and eventual establishment of stable, independent state integrated with Western Europe. We must also decide whether this policy effectively serves our aim of preventing further Soviet expansion in this direction.

In connection this assessment, we submit that US policy towards Austria, as contrasted with policy towards Germany, has shown static quality during past two years. This adherence to *status quo* has, of course, been due to expectation that treaty negotiations would have been successfully concluded by now. With further protracted delay in view, it would be sheerest temporizing not to take cognizance of fact that insofar as West is concerned, occupation aims and functions of AC have long since been achieved to extent possible in face of Soviet obstruction. We have, for example, already admitted in our actions that Austrian Parliament, rather than High Commissioners, is supreme authority in Austria. We have likewise admitted tacitly that fundamental purpose of military occupation is no longer to control country but to provide element of security until such time as we can bring about withdrawal of Soviet forces and Austrians themselves can assume this responsibility. Moreover, we have for some time past used AC almost solely to protect Austrian sovereignty and curb Soviet actions, rather than for its original control functions.

Over period of years, therefore, emphasis in our policy towards Austria has been shifting from military to political basis. But framework of this policy has not been altered proportionately, nor was

there perhaps any reason for it to have been changed so long as treaty remained in view. We believe time has now come, however, when in general re-assessment of our Austrian policy, functions and responsibilities of US representatives in Austria must be redefined in light of existing situation. 1950 is not 1945, and neither solutions nor organizations can be same today as they were five years ago.

We see no reason why changes cannot be made without damage to continued functioning of quadripartite control agreement. They would naturally entail relaxation of some controls in our zone, and would even mean that we would cease to exercise others, but this process of relaxation and relinquishment of controls has been going on for some time without in any way jeopardizing functions of AC. Nor do we feel that changes can be interpreted as weakening our position in Austria. Rather, they would be regarded, we believe, as adapting ourselves to the changed situation, and their connotation would be our determination to maintain our position regardless of length of time it may require to obtain treaty and bring about withdrawal of Soviet forces.

As we see it, our immediate objective must be to reinforce our efforts to obtain treaty, and at same time to put Austrian relations with Western powers on basis more nearly corresponding to realities of situation. We have every confidence that this objective coincides with aspirations of vast majority of Austrian people, and would best contribute to our fundamental aim of ensuring stable, independent Austria. We have no desire to underestimate vital importance either of economic assistance to Austria or requirement in our own interest of sound US military position here. We regard both as essential elements, without which we would assuredly fail in achievement of this fundamental aim. But we feel element of US moral support must likewise be given weight, and we do wish to make clear our view that we can also further our aim by responding, at least in part, to aspirations of Austrian people without impairing effectiveness of either economic aid or military support.

As to specific points raised by General Keyes, we have following comment:

1. Our suggestion re proposal to Soviets for immediate withdrawal of all occupation forces was admittedly put forward as propaganda move, without any expectation of Soviet acceptance. In unlikely event of Soviet acceptance, however, it was our idea that period required for implementing withdrawal would be utilized for strengthening Austrian security forces. While such forces would require subsequent augmentation before security risk eliminated, we would regard withdrawal of some 45,000 Soviet troops as itself no small contribution to Austrian security.

As to US interests, we are of opinion that withdrawal of Soviet forces in Austria might, over period of time, have considerable bear-

ing on developments in Central Europe, and, in any event, must be regarded as *sine qua non* to any possible reduction in Soviet power in Balkans. Finally, we are persuaded by Soviets' own reluctance to terminate occupation that their withdrawal would be in US interest.

2. Our suggestions for proposals to Soviets for reduction of forces and formal elimination of certain controls were likewise made primarily as propaganda moves, and we agree that Soviets will probably accept no changes which are not to their advantage. But we feel it will be of increasing advantage to us if we can demonstrate from time to time that continued occupation and controls are due solely to Soviet intransigence.

3. Figures furnished by French and British Governments re dependents of their occupation forces in Austria demonstrate that reduction of number such dependents, if not of troops, would have beneficial effect on Austrian economy.

4. Our suggestion on reduction of US occupation forces was put forward tentatively, with acknowledgment security considerations was deciding factor. We made no attempt to answer question whether US forces could be reduced, but intended only that this problem be given full consideration. As to argument, however, that sending troops back into Austria from Germany would be overt aggressive act by US, it seems to us this would be valid only if all forces had been finally withdrawn from Austria, and that so long as occupation continued, US commander would be free to increase or decrease number of troops in US zone in accordance with government policy and his estimate of requirements. Moreover, we do not believe any such increase would arouse Austrian hostility if future events should require strengthening of forces.

5. Re abolition of military courts, our suggestion was intended to meet Austrian protests re jurisdiction such courts over Austrian citizens, to which both major political parties vigorously object. We believe solution, at least to extent civil cases, might be found along lines of formula covering allied troops in other friendly countries, i.e., British troops in Greece.

6. Re housing, our use of term, "requisitioning" created false impression. Although no new buildings have been requisitioned for years, occupation forces continue to occupy offices and residential properties through rental arrangements concluded with Austrian Government. These arrangements do not, however, have consent of owners, most of whom ardently desire return of their properties, and their resentment is directed primarily against occupation forces and only secondarily against Austrian Government. We regard it as important to endeavor eliminate this complaint, especially if treaty is not soon obtained and occupation must continue more or less indefinitely.

7. We regard question of whether high commissioner is to be civilian or military to be of less importance than redefinition of functions and responsibilities of US representatives as suggested above.

Finally, it should perhaps be stated that we are not primarily advocating any specific suggestion, nor do we presume to have surveyed all possible steps which US might take at this time. Rather, it has been our desire to convey impression that we can not, by merely

adhering to *status quo*, expect to continue to combat Soviet policies in this area, nor to make our just contributions to establishment of Austrian political life on an enduring constitutional basis.

Sent Department 334; repeated London 46, Paris 39.

ERHARDT

663.001/3–150

The Austrian Legation to the Department of State[1]

WASHINGTON, [March 1, 1950.]

MEMORANDUM

The Austrian Government is faced with the necessity of cushioning the considerable shock effects which will result among the Austrian people at the news of yet another adjournment in the treaty negotiations. To accomplish this, the Austrian Government suggests to the Governments of the Western powers that at least they may already at this time so far as possible ease the restrictions upon Austrian sovereignty resulting from the occupation. Such an attitude would doubtless contribute much toward making the continuation of the occupation more bearable for the Austrian people.

The Austrian Government believes that the following measures of relief would be indicated:

1. Assumption of occupation costs by Great Britain and France in the same way as is already being done by the United States.

2. A far-reaching and very considerable disadvantage of the occupation exists in their requisitioning of living quarters. A great many Austrians for more than five years now have not been able to occupy their own living quarters. The furnishings of these accommodations are gradually deteriorating or at best being depreciated in value. A radical alleviation of these disadvantages is urgently indicated. In the view of the Austrian Federal Government such alleviation may be accomplished by billeting the troops of the Western powers in barracks or other special buildings. By this means and by sending the families of the occupation personnel home to their own countries it would be possible to regain the use of a large number of private apartments, schools, hospitals and other public buildings and to return them to their former occupants. Alleviation of the hardships imposed by the occupation in the field of housing requisitioning would undoubtedly have a great morale-lifting effect.

3. Abolition of the competence of military courts for civilians, both as to their persons and as to the legal characteristics of the criminal acts.

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[1] Handed to Williamson by Dr. Ludwig Kleinwaechter, Austrian Minister in the United States, on March 1. The source text was an enclosure to a note of transmission, dated March 1, not printed. (663.001/3–150) Copies had also been submitted to the Western High Commissioners on February 25 by Chancellor Figl. Telegram P–4631, February 27, from Vienna, not printed (663.001/2–2750).

4. The military authorities to abstain from arresting Austrian citizens (except when apprehended in the act).

5. Complete subordination of all foreigners, except members of the occupying authorities, to Austrian law.

6. The right of the Austrian authorities to arrest uniformed personnel of an occupying power and to hold such personnel until transferred to the authorities of that power, in cases of serious crimes or where this is indicated to prevent continuation of the punishable offense or to prevent escape: in such cases also to permit the Austrian authorities the use of armed force.

7. Complete stoppage of all removal of machinery and of dismantling of plants under the pretext of demilitarization.

8. To abstain from intervention of any kind in the execution of Austrian laws and decrees which have been properly enacted.

9. Limiting inquiries for the purpose of ascertaining information to the regular channels, that is, through the respective legations and the Austrian Federal Government.

10. Increased assistance in extending and arming the Austrian police and gendarmes.

11. Considering the improvement thus to be achieved in the security conditions: Decrease in the number of Western occupation forces, among these especially the technical staffs who are charged with the administration of the civilian sector, and whose activities—assuming the execution of the suggested measures—would in any case be largely superfluous.

12. In addition to the aforementioned restrictions which have been placed on Austrian sovereignty at home through the continuing occupation, in a number of countries Austrian property is still being held as enemy property. The Austrian Federal Government has left nothing undone in order to obtain release of such property. In quite a number of countries these steps have been successful, but some countries, with which Austria is otherwise on most friendly terms, have not yet decreed the release of such property, evidently under the influence of the continuing occupation of Austria. Insofar as this applies to the occupying powers themselves, the Austrian Federal Government would request them to effect at the earliest possible date such disposition as will lead to release of the Austrian property. The Austrian Government would also request the good offices of the occupying powers to induce the governments of India, Pakistan, the Netherlands, the United States of Indonesia and Luxembourg to make rulings leading to the release of sequestered Austrian property.

In addition it would be highly welcomed if relief could be afforded by the occupying powers in the following matters of lesser importance:

a. To abstain from any interference with matters pertaining to hunting and fishing in Austria.

b. Local occupation authorities to abstain from any interference with Austrian administration of justice.

c. The constitutional power of pardon fully to revert from the High Commissioners to the Austrian Federal President in cases of sentences imposed by military courts.

d. Greatest possible restriction in the use made of the postal facilities for occupation purposes.

e. Greatest possible restriction in the use made of the facilities of the telegraph construction service of the postal administration and, insofar as use is made thereof, payment to be made therefor.

f. Express relinquishment of any precensorship or any other influence upon the text books to be introduced in Austrian schools.

g. To abstain from confiscating any books, newspapers or other printed works.

h. To abstain from any interference in the activities of the Austrian department of highways, and transfer of all work pertaining to roads and bridges to the exclusive competence of the Austrian authorities.

i. Permission to the Austrian public buildings department to act consultatively regarding building inspection and upkeep and changes in buildings used as barracks and other military installations.

The Austrian Federal Government believes that it should leave it to the judgment of the Governments of the Western powers as to whether and to what extent they on their part could also approach the Government of the Soviet Union with regard to obtaining such relief.

The Austrian Federal Government would highly appreciate being informed at an early date of the attitude of the Government of the United States toward the above proposals.

Identical steps are simultaneously being initiated with the Governments of the Republic of France and of the United Kingdom.[2]

[2] In telegram 366, March 6, from Vienna, not printed, Legation Vienna reported that because of press leaks the Austrian Government was sending a similar proposal to the Soviet Government. (663.001/3–650) On March 7, the text of a new note was delivered to the Governments of the United States, United Kingdom, France, and the Soviet Union, incorporating most of the points in the text here printed and including some new ones. For the text of this new communication, see Margaret Carlyle, ed., *Documents on International Affairs, 1949–1950* (London, Oxford University Press, 1953), pp. 508–510.

663.001/3–250 : Telegram

The United States High Commissioner for Austria (Keyes) to the Department of the Army

TOP SECRET VIENNA, March 2, 1950.

P–4646. For JCS and State from PACG signed Keyes. Reference P–4631, memorandum 16 February of comments on Legtel 252 to State (copy in P and O), and P–4642.[1]

Part A.

1. The proposals made by the Chancellor are procedures appropriate to normal conditions obtaining when the peace treaty has been signed and the occupation terminated. They must be viewed in the light of the

[1] P–4631, not printed, but see footnote 1, *supra;* February 16 memorandum, not printed, but see telegram 287, February 17, p. 373, for summary; telegram 252, February 14, p. 370; P–4642, not printed.

basic truth that there is no treaty and occupation forces are present in Austria.

2. Of the 18 specific matters mentioned in the Chancellor's letter only 10 apply to the United States element and of those 10, 5 are now at the irreducible minimum and 5 must be rejected. While all 18 apply to the Soviet element, it is noted that Austrian Government is not submitting its request directly to the Soviet element nor indirectly by addressing their letter to the Allied Council. While not so stated in the letter, the Austrian Government is afraid that if their appeal becomes known, it will be used both by the Austrian opposition parties and the Soviets as evidence that the Austrian Government is no longer desirous of treaty.

Part B.

The following are my comments on the items listed in the Chancellor's letter with numerals corresponding to those in the basic letter:

1. Does not apply to the United States.

2. For the reasons concerning morale, discipline, public opinion at home, etc., upon which in 1946 the decision to permit families to come to Germany and Austria and which still obtain, cannot agree with the recommendation that all dependents of the occupation personnel be removed from Austria. Arrangements have, however, been made to construct housing for both officer and enlisted families. Recommendation has also been made that Congress authorize the use of certain schilling accounts, property of the United States for the repair and/or construction of housing to replace units of housing now occupied by military personnel.

3. Military jurisdiction has already been greatly reduced, as has the authority of military personnel over non-American personnel.

4. This recommendation is not feasible. To surrender this right would prevent the arrest of such groups as were recently arrested in the kidnapping cases.

5. This recommendation has been in effect for over a year.

6. This recommendation also has been in effect for approximately one year.

7. This recommendation has never applied to the United States element and even directives relating to demilitarization have not been published for approximately two years.

8. The United States has never interfered in the execution of Austrian laws and decrees, and this recommendation does not apply to the United States element.

9. Since the High Commissioner is responsible for United States objectives in Austria and has primary interest, I cannot concur in this recommendation and feel it essential to receive information direct from the Austrian Government without having to obtain it through the office of my political advisor.

10. I have urged the accomplishment of this recommendation for well over a year and even offered equipment with which to accomplish it.

11. The occupation forces of the Western Powers have been progressively reduced to minimum until such time as the Austrian security forces are in position to take over the security of the state.

12. This recommendation does not apply to the Western elements of the occupation forces. The control agreement cannot be applied to nations outside of Austria. Action on this recommendation can only be accomplished through diplomatic representation.

Under the additional list of lesser items suggested by the Chancellor, I have the following comments:

(1) I cannot agree to the abolition of authority for the occupation personnel to hunt and fish. We do require our personnel to have hunting and fishing licenses, and the use of such licenses are under supervised control. The money derived from the purchase of these licenses is turned over to the *land* government, and should provide compensation for hunting and fishing enjoyed by the American personnel. It is an important factor in the morale and discipline the command.

(2) The United States element does not interfere with the Austrian legal procedures, and this recommendation does not apply to the United States element.

(3) I cannot agree to vest the pardoning power in the Austrian Federal President for those cases tried and convicted by civil affairs courts. These cases are reviewed and considered for mercy or pardon in the normal channel of command under the High Commissioner.

(4) So long as the occupation continues, we must insist upon the prerogative of continuing the postal installations for our occupation troops, and to retain such mail outside quadripartite censorship. The use of telegraph and telephone lines are paid for in dollars per the normal rentals.

(5) Does not apply to the United States element as no demands for construction are made on the Austrian post.

(6) Pre-censorings of school books is in effect now only because the Austrian Government submits these books for censorship. No Allied Council decision requires this.

(7) Only applies to quadripartite action based on Allied Council decisions of 1945. Many efforts have been made to eliminate this but have been unable to obtain agreement in the Allied Council.

(8) Does not apply to the United States element, as no interference is made in the Austrian Road Administration's decisions and work.

(9) This recommendation is already in effect to the maximum extent practicable. Representatives of the Austrian Government have been accompanying United States representatives in the selection of sites, types of construction, etc., in the planned construction program.

Cable shown to Legation who did not desire it held for their comments.

[Keyes]

663.001/3–850 : Telegram

The Minister in Austria (Erhardt) to the Secretary of State

SECRET VIENNA, March 8, 1950—8 p. m.

389. Deptel 372 March 3.[1] As Department will have observed, Austrian proposals to Western Powers for alleviation of occupation are similar in spirit to those outlined in Legtel 252, February 14 as second phase of suggested course of action in event no treaty. It is our understanding that Austrian memorandum was not intended to cover possible action vis-à-vis Soviets for relaxation occupation controls, but rather was limited to measures which they felt Western powers could put into effect unilaterally.

While we agree possibility of four power action on proposals is remote, we, nevertheless, feel that for propaganda as well as substantive reasons, Western powers should press for such quadripartite action before announcing measures which they intend to take in Western zones. This is especially true now that Austrian proposal has been addressed to Soviets (Legtel 366 March 6 [2]).

We feel strongly that measures henceforth taken by Western powers both in treaty negotiations and re Austrian proposals must be utilized in all-out endeavor to make Soviet position untenable as well as to ameliorate occupation burden on Austrians.

Re unilateral action by Western Powers, study of memorandum indicates extent to which US has already liberalized occupation policy, as compared even with British and French. We are, therefore, in general agreement with General Keyes' comments as reported in P–4646 March 2 to Department of Army. Perhaps not unnaturally, however, we are inclined to be sympathetic towards ninth item in Austrian memorandum. We also feel that some formula might be found as suggested in Legtel 334 February 28 to give Austrians some degree of satisfaction re military courts (items three and four of Austrian memorandum). In addition, we consider it will be important to follow up vigorously on housing (item 2) and give full consideration to inter-dependent questions of Austrian security forces and size of occupation forces (items 10 and 11). Re lesser items, we feel it would be advisable for occupation forces to comply with Austrian fish and game laws.

In sum, we believe it important that Western Powers demonstrate to Austria memorandum has been given serious, sympathetic consideration, and that their suggestions have been accepted to fullest possible extent. To this end, we feel US should comply with proposals where feasible, but our major role will, of course, be to convince

[1] Not printed; it asked for Legation Vienna's comments on the Austrian memorandum on occupation policy, p. 380. (663.00/2–2850)

[2] Not printed, but see footnote 2, p. 382.

British and French to bring their occupation regimes into line with what we have already done and are doing.

[Here follow comments on the specific items of the proposal.]

ERHARDT

763.0221/4–1550 : Telegram

The Ambassador in the United Kingdom (Douglas) to the Secretary of State

TOP SECRET PRIORITY LONDON, April 15, 1950—1 p. m.

2045. Deptel 1696, April 14, repeated Vienna 581.[1]

1. Desirability coordinated action re integration military and civilian staffs in Austria as well as tripartite announcement on subject discussed with Allen.[2] He "took note of" our request and said that he would recommend to Kirkpatrick [3] and Bevin that UK concur. When pressed for more categoric assurance he stated that Foreign Office would not make any announcement without prior consultation with US and French. Allen added that in any case British do not contemplate implementation of plan for time being. Moreover, in his view matter might be appropriate topic for consideration forthcoming tripartite talks here [4] and on assumption that there is meeting of minds, three Foreign Ministers might thereafter announce decision in joint communiqué.

2. Winterton and Caccia [5] have just been instructed to return to London next week to discuss details changeover with Foreign Office.

3. Allen said he had informed Luc [6] of British proposal subsequent to his earlier conversation with US (Embtel 1529, March 20, repeated Paris 446, Vienna 72 [7]). Latter has not yet advised him of French reaction, merely mentioning in conversation two days ago that Madame Bethouart [8] had gotten wind of plan and in thought French

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[1] Not printed; it instructed Embassy London to inform the Foreign Office that "any action this type shld be fully coordinated with us and Fr and any announcement of FonOff decision shld be made on tripartite basis." (763.0221/4–1450)

[2] William Denis Allen, Head of the German Political Department, British Foreign Office.

[3] Sir Ivone A. Kirkpatrick, Permanent Under Secretary of State for the German Section, British Foreign Office.

[4] For documentation on the London Foreign Ministers talks, May 11–13, see vol. III, pp. 828 ff.

[5] Maj. Gen. John W. Winterton, British High Commissioner and Commander in Chief for Austria; Sir Harold A. Caccia, British Minister in Austria.

[6] Robert Luc, First Secretary of the French Embassy in the United Kingdom.

[7] Not printed; it reported the following three proposals as the basis for the British reply to the Austrian memorandum on occupation policy:

"*a.* Gradual elimination certain UK HICOM's present activities and absorption remainder by British Legation;

b. Designation Caccia to act in dual role UK HICOM and Minister;

c. Reduction in British supporting as opposed to combat forces." (763.0221/3–2050)

[8] Presumably a reference to the wife of Gen. Emile Béthouart, French High Commissioner and Commander in Chief for Austria.

may take similar action, is now busily engaged in lobbying for designation her husband as joint French Minister-High Commissioner.

4. Allen stated that letter had just been sent to British Chiefs of Staff requesting them to examine proposal mentioned subparagraph (*b*) Embtel 1529.

5. At conclusion conversation we again inquired when British would be prepared to take part in talks on Austrian security forces (Embtel 1920, April 11, repeated Vienna 79 [9]). Allen expressed regret at delay and promised to give matter his personal attention. We shall continue to needle Foreign Office on subject at frequent intervals.

Sent Department 2045, repeated Vienna 82.

DOUGLAS

[9] Not printed; for further documentation on the proposed tripartite talks on Austrian internal security, see pp. 473 ff.

S/S–NSC Files: Lot 63 D 351: NSC 38 Series

Report to the National Security Council by the Executive Secretary of the National Security Council (Lay) [1]

TOP SECRET

NSC 38/5

WASHINGTON, April 27, 1950.

DRAFT

REPORT BY THE NATIONAL SECURITY COUNCIL ON FUTURE COURSES OF U.S. ACTION WITH RESPECT TO AUSTRIA

THE PROBLEM

1. To consider the nature and timing of future United States action with respect to Austria in the light of recent developments of Soviet policy.

ANALYSIS

United States objectives with respect to Austria.

2. The major United States objective in Austria is the reestablishment of Austrian sovereignty and independence as agreed in the Moscow Declaration of 1943. The conclusion of the Treaty reestablishing an independent and Western-oriented Austria would go far to prevent:

a. Soviet domination of Austria, which would result in penetration of the East-West "frontier" by a salient extending westward to the Swiss border and permit Soviet control of the principal North-South lines of communication in Central Europe.

[1] Attached to the source text were a cover sheet and a note of transmission from Lay, stating that the report was being submitted for consideration by the National Security Council at its 56th Meeting on May 4. The note further indicated that the Department of State had set forth reasons in support of a request for a prompt decision. Neither printed.

b. Partition, which would destroy the Austrian nation and increase the instability of Central Europe.

3. It was determined in October, 1949 to be governmental policy in the United States interest to agree at an early date to an Austrian Treaty on the best terms obtainable. At the same time, it was determined that United States policy should insure, by all appropriate measures prior to the withdrawal of the occupation forces, that the Austrian armed forces are reasonably adequate to maintain internal security (NSC 38/4, "Future Courses of United States Action with Respect to Austria," approved by the President on November 18, 1949 [2]). To date, the Four Powers have been unable to reach agreement on the terms of the Treaty due to Soviet intransigence. Soviet action in the most recent phase of the negotiations are obviously designed to delay the conclusion of the Treaty. The United States objective in Austria can be furthered by the conclusion of the Treaty and the creation of an adequate security force prior to the withdrawal of the occupation troops. The governments of Great Britain and France agree with these objectives. The Soviet Union must be signatory to the Treaty in order that Soviet military forces be withdrawn under the terms of the Treaty. Any action either by the United States alone, or by the three Western Powers without Soviet participation to negotiate an Austrian Treaty would not be desirable as it would lead to partition of Austria, if not Soviet domination of all Austria, by failing to secure the withdrawal of Soviet military forces.

4. Pending the conclusion of the Treaty, the United States will seek to maintain the authority of the Allied Council and insist on strict adherence to the New Control Agreement of the Allied Commission for Austria (June 28, 1946) [3] in order to prevent any unilateral action by the Soviet element threatening the fulfillment of our objectives. It is in the United States interest to strengthen the authority of the Austrian Government, to encourage the present Western orientation of the Austrian Government and people, and to lend all support to their resistance to Soviet pressure.

Soviet objectives and possible courses of action.

5. The major Soviet objective in Austria is estimated to be Soviet-Communist control of all Austria to be achieved by preventing establishment of a free, democratic and Western-oriented Austria. A Western-oriented Austria would penetrate the East-West frontier by a salient extending eastward to the Hungarian border and permit denial to the Soviets of the Vienna communications center. If the Soviets are unable to achieve their major objective they may

[2] *Foreign Relations*, 1949, vol. III, p. 1190.

[3] For the text of the New Control Agreement for Austria, see *A Decade of American Foreign Policy, Basic Documents, 1941–1949* (Washington, Government Printing Office, 1950), pp. 614–620.

consider partition as a secondary objective since it would maintain the East-West frontier substantially unchanged. The aggressiveness with which the Soviets will seek to attain either their major or secondary objective in Austria will be determined primarily by their estimate of Western policy with respect to Europe as a whole and secondarily by their estimate of the strength of Western policy with respect to Austria.

6. In terms of these objectives the Soviet authorities are most likely to pursue one or more of the following courses of action:

a. To delay conclusion of the Treaty in order to obtain better terms or to convince the present Austrian Government that it must conclude a bilateral settlement with the Soviet Government granting a privileged position to the latter as the price for the conclusion of the treaty and withdrawal of occupation forces.

b. To intimidate the Austrian Government by kidnappings, recalcitrant action in the Allied Council or other devices, with a view to weakening its authority, or seeking its overthrow and replacement by a group favorable to the Soviet Union.

c. To establish a rump government in the Eastern zone which would claim authority over all Austria.

d. To take military or administrative action either to force the withdrawal of Western forces from Vienna or to partition Austria. Such action might take the following forms:

(1) A general move in Europe involving a simultaneous action in Vienna and Berlin to bar Western access in violation of existing agreements.

(2) Local action in Austria involving a closing of the Eastern zone at the demarcation lines, thus barring the shipment both of supplies for the Western forces in Vienna and Austrian supplies originating outside the Eastern zone.

(3) Prohibition of the shipment of supplies for the Western forces in Vienna across the Eastern zone to Vienna.

(4) The barring of Western access to Vienna and the taking of such action in Vienna which would prevent the present unified control of all sectors of the city by the Austrian authorities.

e. To maintain the *status quo* in Austria, but through political devices to attempt Communist infiltration of the Government with a view to the ultimate imposition of a Soviet-controlled government over the whole of Austria.

United States and Soviet capabilities in Austria.

7. By reason both of continued military occupation and their refusal to conclude the Treaty, the Soviet Union is in a position to prevent the fulfillment of the U.S. policy objective of reestablishing an independent Austria.

8. If the Soviets continue for a long period to refuse to conclude the Treaty, it will be increasingly difficult to prevent Soviet pressure on the Austrian Government to sign a bilateral agreement with the Soviet Union as the ultimate price for obtaining Soviet acceptance

500-421—80——26

of the Treaty. Similarly, it will be increasingly difficult to convince the Austrian Government that it should not sign a bilateral agreement as a desperate gamble to secure the withdrawal of the Soviet military forces. Such an agreement would in all probability nullify the guarantees of Austrian independence already obtained in the agreed articles of the Treaty and would make Western support of Austria difficult in the post-Treaty period.

9. The United States cannot prevent Soviet attempts to intimidate the Austrian Government or stop the threats against Government leaders in the Eastern zone as long as Soviet military forces are present in Austria.

10. The United States could not prevent the Soviet authorities establishing a rump government in the Eastern zone. In the event it became impossible for the Austrian Government to remain in Vienna, it would in all probability move to the Western provinces and continue to claim authority over all Austria.

11. While the United States could not prevent the Soviets taking administrative or military action to close the Eastern zone at the demarcation lines (NSC 63/1, "United States Policy in the Event of a Blockade of Vienna," approved by the President on February 17, 1950) in order to blockade Vienna completely the Soviet forces would be required to stop all Austrian transportation of supplies to the city including those originating in the Eastern zone or crossing the Eastern zone from the West and from overseas. A complete blockade would, therefore, present the Soviets with formidable political, economic and military problems. It is not likely that they will attempt such action. It is in the United States interest to remain in Vienna in the face of any threat of a Soviet blockade. The withdrawal of Western forces would mean the abandonment of Vienna to the Soviet military forces, and would constitute a partition of Austria, thus marking a significant political victory for the Soviets. Withdrawal of Western forces in the face of a Soviet threat would mark a major advance of Soviet military control in Europe and would endanger our security interest in Central Europe as well as in Italy and Yugoslavia.

a. In the event that the Eastern zone were completely blocked and Austrian as well as Western supplies barred from Vienna, the United States could not in all probability maintain United States forces at their present level (NSC 63/1). If all efforts fail to break this blockade, it may be impossible to remain in Vienna, but the course of action of the United States should be determined in the light of general U.S. policy designed to meet the Soviet threat and of circumstances then prevailing.

b. In the event that only Western supplies were barred from the city, our forces in Vienna could be supplied by an airlift with great difficulty for a short time in order to strengthen attempts to break the blockade by diplomatic means.

12. In view of the lack of success of the Communist Party in the Austrian elections of 1945 and 1949, the Soviets would apparently have little opportunity in the immediate future of increasing Communist strength in Austria by normal political methods.

Courses of action open to the United States

13. It is in the U.S. interest to continue to participate in the occupation of Austria, pursuant to existing international agreements, and to bring all possible pressure to bear on the Soviet Government to secure the conclusion and implementation of the Treaty. Furthermore, it is in the U.S. interest to preserve the authority of the Austrian Government against Soviet pressure, to prevent a partition of the country, and to continue to seek a Four-Power formula for the reestablishment of Austrian independence.

a. In the face, however, of Soviet policy in the Treaty negotiations and the possible threat of Soviet action in Austria, it is urgent that the Western powers maintain the initiative, both to make Soviet unilateral action more difficult and to contribute to the progressive solution of the Austrian question.

b. It is necessary to focus upon the Soviet Union full blame for the continuing failure to obtain a Treaty. The Western Powers must formulate and carry out a policy which will progressively demonstrate that all efforts are being made to secure Austrian independence, while at the same time, no step is being taken which can be interpreted as weakening the authority of the Allied Council. Measures in such a policy might include:

(1) Appointing civilian High Commissioners as authorized in the Control Machinery Agreement.

(2) Relinquishing occupation controls which do not threaten either the security of the Austrian Government or the occupation forces.

(3) Proposing a Four-Power Declaration, utilizing certain agreed articles of the Treaty, as a substitute for the Treaty. Any step taken should be based on firm tripartite agreement.

14. The maintenance of Austrian unity is important to the United States. Soviet action to destroy that unity or to prevent the maintenance of our forces in Vienna must be carefully examined in the light of the political and military threat to the security interests of the United States. Such a threat would justify the United States taking strong diplomatic steps and effective retaliatory measures, and urging other Western Powers to take parallel action.

CONCLUSIONS

15. The United States should continue to participate in the Treaty negotiations and make every effort to bring them to a satisfactory conclusion.

16. The United States should continue the action currently being taken to implement the conclusions of NSC 38/4, "Future Courses of United States Action with Respect to Austria", approved November 18, 1949, with respect to the Austrian security forces.

17. Unless compelled by radically altered circumstances the United States should not undertake to enter into a separate Treaty with Austria without Soviet participation.

18. The United States should make every effort to prevent a partition of Austria and, in the absence of a Four-Power Treaty or agreement establishing Austrian sovereignty, should continue to participate in the Allied Council with a view to extending the authority and jurisdiction of the Austrian Government and reducing unnecessary controls exercised by the occupation forces.

19. The United States should make every effort to forestall and prevent unilateral Soviet action either forcing a Western withdrawal from Vienna or effecting a partition of Austria, should take all feasible measures to counter any Soviet move designed to achieve these objectives, and urge other Western Powers to take parallel action. Such measures might include, *inter alia:*

a. Insist in the Allied Council on strict adherence to the Control Machinery Agreement respecting the authority of the Austrian Government and the rights of the occupying powers as established in existing agreements.

b. If the Soviets impose restrictions on Western access to the city, the United States should, in cooperation with the British and French, supply their personnel in Vienna, as well as such minimum requirements for the city as possible, by an airlift as an emergency measure for a limited period. Such action should be considered in the light of recommendations by the Joint Chiefs of Staff at that time. (NSC 63/1 contains more detailed consideration of this problem.)

20. Conversations should be initiated at an early date with the British and French to discuss the nature and timing of future action with respect to Austria. In these conversations:

a. The United States should propose:

(1) The publication of a record of the Treaty negotiations to date. Such publication should be appropriately timed in order not to disrupt any current or prospective negotiations on the Treaty.

(2) The preparation of a draft Four-Power Declaration reestablishing Austrian independence which could be proposed if agreement cannot be reached in the present Treaty negotiations. Soviet participation in the proposed declaration would be required in order to provide for the withdrawal of Soviet military forces and to avoid a partition of Austria. A Declaration of this type might contain the following provisions:

(*a*) Reestablishment of Austria's independence within her frontiers as they existed on January 1, 1938. (An agreed Article in the Treaty.)

(*b*) Withdrawal of all occupation forces within 90 days after the coming into force of the agreement. (An agreed Article in the Treaty.)

(*c*) No reparations shall be exacted from Austria. (An agreed Article in the Treaty.)

(*d*) Each of the occupying Powers shall relinquish to Austria all German assets and war booty held or claimed by them in Austria. (Contrary to agreed Article 35 of the Treaty.)

(*e*) Four-Power agreement to respect the independence of Austria within her pre-1938 borders. (An agreed Article in the Treaty.)

(*f*) A declaration of the participating powers favoring the admission of Austria to the United Nations Organization. (An amplification of the agreed preamble of the Treaty.)

If the Soviets would not accept paragraph (*d*) in the foregoing plan, the agreed text of Article 35 could form part of the declaration as the settlement of the German assets question. Our position, however, would be strengthened in terms of world opinion if such a proposal were not included.

(3) The taking of immediate steps in Austria to relieve the burden of occupation while retaining sufficient controls not only to assure security of the Austrian Government and of U.S. occupation forces but also to prevent additional advantage to USSR occupation forces.

[The respective positions of the Departments of State and Defense on paragraph 20 *a.* (4) are as follows. The NSRB has reserved its position on this paragraph.] [4]

Department of State Position

20*a* (4) "To proceed at a date to be agreed with the British and French and in a manner consistent with the requirements of Austrian security with the appointment by each of the occupying powers of a civilian High Commissioner without prejudice to the present control machinery. If Four-Power agreement cannot be obtained, and consistent with the security requirements, the Western Powers, in concert, should proceed with the appointment of civilian High Commissioners. At the time of the appointment of a U.S. civilian High Commissioner, responsibility for the execution and implementation of U.S. policy in Austria in all fields except those pertaining to military matters will be transferred from the Department of Defense to the Department of State.

Agreement with the British and French should be obtained on the following requirements respecting the appointment of civilian High Commissioners:

a. No break should occur in continuity of authority and operations of the High Commissioners in the present quadripartite Allied Council organization during the transfer from military to civilian authority.

b. No situation should be created by the transfer of responsibility which would prevent immediate military action by the

[4] Brackets appear in the source text.

United States or by British and French military authorities, if and when required.

c. No impression should be given to the Austrians that they are deprived of military protection by the transfer of responsibility.

United States implementation of any tripartite decision should be carried out with the closest coordination between the Departments of State and Defense."

Department of Defense Position

20*a* (4) "To proceed at a date to be agreed and at a time when the requirements of Austrian security permit with the appointment by each of the occupying powers of a civilian High Commissioner without prejudice to the present control machinery. Then if such Four-Power agreement cannot be obtained, and the security situation permits, the Western Powers, in concert, should proceed with the appointment of civilian High Commissioners. At the time of the appointment of a U.S. civilian High Commissioner, responsibility for the execution and implementation of U.S. policy in Austria in all fields except those pertaining to military matters will be transferred from the Department of Defense to the Department of State. Present security conditions do not permit the change from a military to a civilian High Commissioner at this time.

b. The United States should further propose for discussion, the formulation of a common tripartite policy on:

(1) Action which can be taken to enable Western forces to remain in Vienna in the event the Soviets prevent Western access to Vienna;

(2) Action which can be taken in the event the Soviets close the Eastern zone at the demarcation lines to surface traffic;

(3) Action to be taken in event the Soviets force a partition of Austria with a view to determining the future Western position with respect to Austrian independence; and

(4) Determination of future action with respect to reference of the Austrian question to the United Nations.

S/S–NSC Files: Lot 63 D 351: NSC 38 Series

Memorandum by the Joint Chiefs of Staff to the Secretary of Defense (Johnson)[1]

TOP SECRET

WASHINGTON, 2 May 1950.

Subject: Future Course of U.S. Action with Respect to Austria.

The Joint Chiefs of Staff have reviewed NSC 38/5, dated 27 April 1950, entitled "Future Courses of United States Action with Respect to Austria," and perceive no objection, from the military point of view, to the Conclusions thereof except the Conclusions in subpara-

[1] The source text was attached to a memorandum of transmission by Lay, dated May 3, not printed, which circulated the Joint Chiefs' views for the information of the National Security Council.

graph 20*a*(2)(*b*) and the Department of State position as stated in subparagraph 20*a*(4).

Subparagraph 20*a*(2)(*b*) contains a provision for inclusion in the proposed Four-Power Declaration to reestablish Austrian independence that all occupation forces are to be withdrawn within ninety days after the coming into force of the agreement. This is an agreed article of the treaty. The Joint Chiefs of Staff have grave fears that failure to provide adequate Western-oriented indigenous security forces in Austria prior to the withdrawal of occupation forces may create a military vacuum in that country in which the Communists, following their usual practice, may be able to seize power and dominate Austria. The Joint Chiefs of Staff therefore suggest that subparagraph 20*a*(2) be revised as follows (changes indicated in usual manner):

"(2) . . . A Declaration of this type might contain ~~the following~~ provisions to *accomplish the following, provided that an appropriate provision is also made therein to assure that Austrian security forces will, prior to the initiation of the withdrawal of Western occupation forces from Austria be reasonably adequate to maintain internal security:*"

The fundamental difference between the position taken by the Department of Defense and that taken by the Department of State in subparagraph 20*a*(4) is that the Department of State disagrees with the views of the Department of Defense which are that:

a. Present security conditions do not permit the change from a military to a civilian United States High Commissioner for Austria at this time; and

b. Security conditions satisfactory to the United States must be a condition precedent to this change.

With respect to worldwide security conditions, the probable fission bomb capability and possible thermonuclear bomb capability of the Soviet Union have greatly intensified the Soviet threat to the security of the United States. The threat is of the same character as that described in NSC 20/4 (approved by the President on 24 November 1948),[2] but is more immediate than had previously been estimated. The cold war is in fact a real war in which the survival of the free world is at stake. In addition, the confidence of the Soviets in the strength of their power position compared to the non-Soviet world is increasing, and, in fact, at no time during the past two years has the USSR been in such a relatively strong position for the extension of its influence by means short of involvement in armed conflict. Further, recent Soviet actions in dealing with the Western Powers have indicated increasing Soviet arrogance. In view of the foregoing, the Joint

[2] *Foreign Relations*, 1948, vol. I, Part 2, p. 662.

Chiefs of Staff are firmly of the opinion that any United States actions which involve relations with the USSR should have as their primary aim the strengthening of the United States security position.

The military implications involved in the present worldwide Soviet aggression actions, particularly with respect to Germany, especially Berlin,[3] and the Free Territory of Trieste,[4] indicate the gravity of the security risks involved in any change in United States administration in Austria at a time when freedom of choice for opportunist tactics rests with the USSR. Further, the Joint Chiefs of Staff believe that any change resulting in a diminution of military authority would:

a. Interfere with, if not break, the continuity of authority and operations of the High Commissioners in the present quadripartite Allied Council organization;

b. Indicate decreased military interest and authority by the Western Powers in Austria which would, among other things, result in a lessening of Austrian confidence in the protection offered by the Western Powers; and

c. Undoubtedly lessen, at least to some extent, present capability for immediate military counteraction in that area.

The Joint Chiefs of Staff have carefully considered the matter of changing from a military to a civilian United States High Commissioner in Austria at the present time in light of the current world conditions generally and of the conditions in Austria in particular. They feel strongly, from the military viewpoint, that present security conditions do not warrant and, in fact, do not permit this change and that this viewpoint should be overriding. If considerations other than security should be considered overriding, however, and this step be taken, then the Joint Chiefs of Staff would point out that serious impairment of United States security interests would result therefrom.

The Joint Chiefs of Staff understand that, although the United States initially proposed the change from military to civilian High Commissioners in Austria, the British and the French are independently contemplating such a step without concerting with the United States. The Joint Chiefs of Staff are of the opinion that any action taken on this matter by the governments of the United States, the United Kingdom, and France should be in concert but that, regardless of the action which may be taken by the British and the French, the United States should, because of general world security conditions and of conditions in Austria specifically, and because of extensive United States governmental investments and concomitant responsibility in that country, retain at this time its military High Commissioner. They further feel that the United States Military High

[3] For documentation on the status of Berlin, see pp. 818 ff.

[4] For documentation concerning the Free Territory of Trieste, see vol. III, pp. 1302 ff.

Commissioner should be retained until definite progress has been made in resolving the ideological conflict between the United States and the USSR.

In view of the above, the Joint Chiefs of Staff recommend that subparagraph 20*a*(4), as proposed by the Department of Defense, be approved. For purposes of clarity, however, they suggest that the last sentence of the proposed subparagraph be revised to read as follows (changes indicated in the usual manner):

"Present security conditions do not permit the change from a military to a civilian High Commissioner at this time—*on either a quadripartite or a tripartite basis.*"

For the Joint Chiefs of Staff:

OMAR N. BRADLEY
Chairman
Joint Chiefs of Staff

Editorial Note

At its 56th Meeting on May 4 the National Security Council adopted NSC 38/5 with the Department of State's version of paragraph 20*a*(4) and an amended paragraph 20*a*(2) which reads as follows:

"The preparation of a draft Four-Power Declaration reestablishing Austrian independence which could be proposed if agreement cannot be reached in the present Treaty negotiations. Soviet participation in the proposed declaration would be required in order to provide for the withdrawal of Soviet military forces and to avoid a partition of Austria. A declaration of this type might contain provisions to accomplish the following, provided that an appropriate provision is also made therein to assure that Austrian security forces will, prior to the initiation of the withdrawal of Western occupation forces from Austria be reasonably adequate to maintain internal security."

The revised text, NSC 38/6, "Future Courses of U.S. Action With Respect to Austria," was approved by President Truman on May 5. (S/S–NSC Files, Lot 63 D 351, NSC 38 Series)

On May 8 the text of NSC 38/6 was transmitted in Tosec 130, not printed, to Secretary Acheson, who was attending a meeting of the Western Foreign Ministers in London, and to Keyes and Erhardt in Vienna. The Foreign Ministers discussed the Austrian question at their meetings May 11–13 and agreed to lighten the burden of occupation on Austria and to proceed with the appointment of civilian High Commissioners. For the full text of their declaration on Austria, see Secto 302, May 18, volume III, page 1071.

On June 12 the substance of the Foreign Ministers declaration was communicated to the Soviet Government by representatives of the three Western Embassies in Moscow with the request that the "Soviet Union, pending final decision on the treaty, would associate itself with the program determined upon by the three Foreign Ministers." For the full text of the United States note as delivered by Ambassador Kirk to Foreign Minister Vyshinsky, see Department of State *Bulletin*, July 10, 1950, page 74. Documentation relating to the drafting and transmission of the note is in files 601.4163/6–650, 663.001, and 763.0221.

663.001/6–2850 : Telegram

The Secretary of State to the Embassy in the United Kingdom [1]

SECRET VERBATIM TEXT WASHINGTON, June 28, 1950—6 p. m.

3172. London's 3539 Jun 22.[2] Re Brit proposed reply Aust note Mar 7 reduction occupation burdens. Dept has few comments other than view stated Audel 267 [3] that we favor more gen reply rather than specific point by point reply as proposed by Brit. Dept sees no need for further coordination of replies and has no objection to dispatch Brit note if they prefer that form.

Dept recd from Kleinwaechter Jun 26 copy identical notes recently addressed Govts UK and Fr by Aust Govt requesting US support Aust request that the Brit and Fr utilize the occasion transfer to civilian control to renounce occupation costs.[4] Aust note states West Powers no longer regard themselves as mil occupation force but as friends whose troops remain solely in Aust interest. This conviction cannot however take hold completely until UK and Fr follow example of US and assume out of their own resources burdens arising from continued presence their troops in Aust. Aust Govt stresses that UK and Fr action to give up payment occupation costs wld play essential part in consolidating financial status Aust. US supports Aust request and expresses hope that favorable action may be taken this connection by Brit and Fr Govts. In our view this is the one single item in Mar 7 note upon which favorable UK and Fr action wld be most helpful in reducing Aust occupation burden.

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[1] Repeated to Vienna as 937, Paris as 3057, Moscow as 548, and to Frankfort for Samuel Reber, Jr., United States Deputy for Austria at the Council of Foreign Ministers who had returned to Frankfort to resume his duties as Counselor of Mission, as 4633.

[2] Not printed (663.001/6–2250); for text of the British reply as delivered on July 11, which has minor textual differences from the proposed reply in telegram 3539, see Margaret Carlyle, ed., *Documents on International Affairs, 1949–1950* (London, Oxford University Press, 1953), pp. 510–514.

[3] Not printed.

[4] Not printed. A copy of this note is in file 863.10/6–2650.

Additional item on which favorable action by Brit and Fr wld be of assistance to Aust is item 12(*c*) of items to be mentioned by Caccia in oral statement relative release Aust property in countries of the occupying powers as well as in India, Pakistan, Neth, US of Indonesia, and Lux. Aust Govt has requested good offices occupying powers to induce foregoing Govts to release sequestered Aust property. This Govt supports Aust request this connection and is prepared to render appropriate assistance. Brit and Fr suggestions as to how this cld best be accomplished wld be most welcome.

Further reference proposed Brit note, Brit propose informing Aust Govt that they are communicating copies note to Govts USA, USSR and Fr. Sovs did not communicate copy their reply Aust note [5] to West Govts and we see no necessity send copy our reply to Sovs. We believe it wld be preferable make no mention in West notes to Aust Govt concerning communication copies note to any other power.

London requested communicate foregoing views FonOff.

Comment will fol on proposed Fr reply Aust note, copy of which has been recd from Fr Emb here.[6]

Text US proposed reply will be submitted Brit and Fr for comment prior delivery.

ACHESON

[5] The Soviet reply, dated April 15, after denying any blame for delay in negotiating an Austrian Treaty and placing the responsibility for delay on the three Western Powers, stated: "In regard to the proposal contained in the note mentioned concerning changes in the functions of the administration in the occupied zones, the Soviet Government sees no sufficient reason for such changes." Despatch 382, April 28, from Vienna, not printed (663.001/4–2850).

[6] Not printed; a copy of the proposed French reply, which was generally receptive in tone to the Austrian requests, is in file 763.0221/6–2650.

863.00R/7–750 : Telegram

The Chargé in Austria (Dowling) to the Secretary of State

SECRET VIENNA, July 7, 1950—noon.

22. 1. Secretary General Foreign Office presented *aide-mémoire* outlining objections projected cut of ECA funds for Austria from 1949/50 level approximately $166,000,000 to 88,000,000 to $93,000,000 program. *In summary note states:* Home production and trade cannot stand such an abrupt and severe reduction: Austria increasing exports in attempt to balance payments and must import food and raw materials from East which not available other PC's; Eastern export potential and attempts to compensate dollar cuts hampered by East-West export restrictions [1] on traditional Austrian exports to East resulting

[1] For documentation on East-West trade, see pp. 65 ff.

in far-reaching reduction export totals and ability import food and raw materials from East; result—if latest political events force continuation export controls and further reduction in Austrian exports East, Austria forced to ask increased direct aid to purchase these goods from West. Denial of additional aid would cause economic repercussions, reduced living standard with social consequences and serious internal difficulties which particularly grave because Austria's special position. *End Summary.*

2. The following are joint Legation/ECA comments regarding both above note and general problem raised. Note intimates East-West trade controls cause of major trade difficulties with East. We do not believe this to be the case, particularly in view relatively small Austrian production list I goods.[2] However, difficulty in trade negotiations has been encountered because of restrictions affecting general Austrian bargaining position. Believe situation may be best characterized that Austria is being forced to trade with East on Eastern terms which are generally unsatisfactory particularly re composition of goods exchange and so stated to Secretary General. Possible exceptions exchange with Poland (coal) and Czechoslovakia where general pattern more favorable does not however include grains. Specific examples difficulties are Austrian inability this year to draw established grain quotas Hungary and failure Rumania to agree supply Austria any petroleum under new trade agreement. Note misses basic point when it attempts to place blame on export controls. However our analysis agrees with fact implicit in note that Austria still overly dependent on unreliable Eastern trade partners. Commercial trade with East including Yugoslavia in first half 1950 approximately 24% (not including sizable illegal and noncompensated trade). Composition this trade highly unsatisfactory from viewpoint Austrian balance of payments. Present state Austrian production increases necessity meeting East on their terms and also causes continued imports of goods unadvantageous from balance of payments viewpoint. Recent negotiations indicate no improvement. Particularly serious from viewpoint balance of payments is failure to obtain grains from East.

3. In Austrian investment program and in striving for solution subsidy problem efforts being made to increasingly meet grain deficit from internal sources. Also although investment program emphasizes orientation to Western markets anticipated greater competitiveness and greater desirability Austrian products will considerably improve Austrian bargaining position as investment program is implemented. However prior to such improvement reduction direct aid such as planned at this time forces Austria to attempt expanding trade with

[2] Under the terms of the United States ECA Agreement with Austria, the Austrian Government agreed to prohibit trade and transshipment of strategic goods (list I) to the Soviet Union and its satellites.

East along unfavorable lines described above. This in turn would increase need for aid as result increased deficit with East. Such loss would affect both current account and trading position. Should Austria be forced to seek minimum grain supplies from East this dependency certain to be ruthlessly exploited by East.

4. We believe special consideration should be given immediate future to possibilities establishing conditional reserve particularly for grains—such reserve to be both financial and quantitative. Only by insuring Austria supplies from West can (*a*) present trend toward dangerous economic dependency on East decrease, (*b*) continued unwillingness East to supply essential goods to Austria be thwarted, (*c*) arbitrary refusal of grain deliveries by East for political and economic gains be avoided. Envisage use such reserves be based upon: (1) demonstration maximum Austrian efforts obtain such supplies from (*a*) own sources, (*b*) trading on satisfactory terms with East and (*c*) alternate source procurement.[3]

5. We have asked Foreign Office for detailed study its estimate of effect continued East-West controls on Austrian trade with East. Text *aide-mémoire* follows airpouch.[4]

Sent Department 22, repeated info Paris 2. Paris pass OSR. Pass ECA, Defense.

DOWLING

[3] In telegram 176, August 2, to Vienna, not printed, Legation Vienna was advised that "Aust's difficulties in dealing with former satellite countries recognized Wash not major reason for change in program and aid formula must stand until reason for modification evident." (863.00R/7–1150)

[4] Transmitted in despatch 30, July 11, from Vienna, not printed (863.00R/7–1150).

763.0221/8–350

The Chargé in Austria (Dowling) to the Secretary of State

CONFIDENTIAL

VIENNA, August 3, 1950.

No. 126

Ref: Department's Telegram No. 3, dated July 1, 1950[1]

Subject: Reply to Austrian Note of March 7, 1950 on Alleviation of Occupation Costs

The verbatim text of the reply delivered on August 4, 1950, to the Austrian Note of March 7, 1950, on the alleviation of occupation costs is as follows:

"The Legation of the United States of America presents its compliments to the Federal Chancellery, Department of Foreign Affairs,

[1] Not printed; it transmitted the draft text of a reply to the Austrian note of March 7. Except for the introduction and the closing paragraph the draft is the same as that transmitted in this despatch. (763.0221/7–150) Copies of the draft were shown to the British and French who offered no objections to it. (Telegrams 163, July 10, from Paris and 461, July 21, from London, neither printed, 763.0221/7–1050 and 2150).

and under instructions from the Department of State, has the honor to transmit the following views with reference to the *Note Verbale* of the Austrian Government dated March 7, 1950, No. Z1 121.751-POL/50, concerning the alleviation of occupation burdens.

It is noted that the request of the Austrian Federal Government in this respect is made necessary by the fact that the State Treaty has not been completed due to obstacles created by the Soviet Government. The basic objective of United States policy since 1946 has been to conclude the treaty in order that Austria might regain its independence in accordance with the provisions of the Moscow Declaration. The only true basis on which Austria can regain full sovereignty is by Four-Power agreement and the withdrawal from Austrian soil of all forces of occupation. Consequently, action taken by the Government of the United States in response to the request of the Austrian Federal Government will not be regarded as a substitute for the treaty but rather as constructive measures to fulfill the provisions of the Control Agreement of 1946 that assistance will be given to the freely elected Austrian Government to assume as quickly as possible full control of the affairs of state in Austria.

The readiness of the British, French and United States Governments to conclude the Austrian treaty at the earliest time possible was reaffirmed at the meeting of the Foreign Ministers in May. The principles agreed upon by the three Foreign Ministers, concerning which the Austrian Federal Government has already been informed, have been communicated to the Soviet Government in the hope that it too will agree to fulfill the pledge made in the Moscow Declaration and permit the resumption of active negotiation of the unagreed issues of the treaty.

In the absence of a treaty, and of the complete fulfillment of the desires of the Austrian people with which the Government of the United States is in full sympathy, it is understandable that the Government of Austria should seek to ease the burdens of the occupation. It has been with this thought in mind that the Government of the United States has, since the beginning of the occupation, completely supported all efforts to relieve these burdens by means of four-power agreement, and has, in the absence of agreement by the Four Powers, on its own initiative taken such unilateral actions as have been feasible to make Austria's lot easier to bear, pending a final settlement of the issues involved. The specific steps already taken by the United States Government in this direction are well known to the Austrian Government and need not be reviewed.

As to the detailed proposals submitted by the Austrian Government, some relate to matters which can only be resolved on a four-power basis and concerning which United States representatives have previously unsuccessfully sought quadripartite agreement. Others, as the Austrian Government is aware, have little or no application to United States forces in Austria in that they refer to actions which are either not countenanced by United States policy or to matters concerning which the action suggested is in large part already in effect in areas controlled by the United States High Commissioner.

The issues raised by the Austrian Federal Government were discussed at the recent conference of Foreign Ministers referred to above, and the three Governments declared themselves in agreement as to the

desirability of lightening the burden of occupation on Austria. An important step in this direction was the decision of the three powers to appoint Civilian High Commissioners in Austria.

The Government of the United States will not fail to continue its examination of the proposals transmitted by the Austrian Federal Government and to take such further action to comply therewith as may be feasible. As to those matters which can be resolved only by agreement among the respective powers, the Austrian Government may be assured that the representatives of the United States Government will urge agreement to grant a maximum alleviation of the remaining occupation burdens within the limits of existing four-power agreements.

The Legation of the United States of America avails itself of this opportunity to renew to the Federal Chancellery, Department of Foreign Affairs, the assurances of its highest consideration."

WALTER DOWLING

740.00/7–1050 : Telegram

The Secretary of State to the Embassy in the United Kingdom [1]

SECRET WASHINGTON, August 8, 1950—6 p. m.

702. Embtel 181, July 10.[2] Dept notes and considers appropriate Council of Europe decision Aug 3 that admission Aust membership presently premature. We are not inclined however, attempt strongly influence Aust Govt action this matter since Aust must live with consequences membership and in best position weigh pros and cons results. Believe principal gains not material but rather psychological in direction unity with West which already secured by membership OEEC and well known to all. On other hand adverse consequences not in Western hands and so not calculable but conceivably cld outweigh benefits. Consider important that if and when Aust and Council shld deem membership advisable no move shld be taken unless sure consummation wld be prompt.

ACHESON

[1] Repeated to Paris as 711, to Vienna as 218, to Moscow as 106, and to Frankfort as 1047.
[2] Not printed.

Editorial Note

On August 28 Under Secretary Webb transmitted a copy of the first Progress Report on NSC 38/6, "Future Courses of U.S. Action With Respect to Austria", to James S. Lay, Jr., the Executive Secretary of the National Security Council. The report outlined the developments at the Foreign Ministers meetings in May, the three meetings of the Deputies for Austria since May 5, the tripartite military talks, and

preparations taken for constructing an air strip in Vienna in the event of a blockade. A copy of the report, not printed, is in file 763.00/8–2850.

763.0221/9–2250

The Ministry of Foreign Affairs of the Soviet Union to the Embassy of the United States[1]

[Translation]

No. 58 Moscow, September 22, 1950.

The Government of the Union of Soviet Socialist Republics has studied note of the Government of the United States of America,[2] in which was communicated a decision of the governments of the United States of America, England and France to appoint civilian high commissioners in Austria.

The Soviet Government in taking this decision into consideration considers it necessary to state the following.

Article 9 of the agreement of four powers on the control mechanism in Austria of 28 June, 1946 provides that "the members of the Allied Council, executive Committee and other personnel, designated by each of the four powers as members of the Control Commission, may be civilian or military". Thus, each of the powers is free on its own initiative to take a decision on the designation as High Commissioner of military or civilian persons.

The designation by the Governments of the three powers of civilian high commissioners in place of military high commissioners imparts nothing new to the tasks, functions and structure of the existing four membered control mechanism in Austria, in view of which the statement of the Governments of the three powers to the effect that the designation by them of civilian high commissioners has been decided upon "for the easing of occupation burdens" does not correspond with reality.

The Government of the Union of Soviet Socialist Republics also is sending analogous notes to the Governments of England and France.

[1] The source text was transmitted as an enclosure to despatch 115, September 22, from Moscow, not printed (763.0221/9–2250).

[2] Regarding this communication, see the editorial note, p. 397.

763.00/9–2650 : Telegram

The United States High Commissioner for Austria (Keyes) to the Department of the Army

CONFIDENTIAL VIENNA, September 26, 1950—3 : 08 p. m.

P–5610. For CSGPO, Information CSGID, State Department and EUCOM sgd Keyes. A rowdy demonstration of 10,000 (estimated)

Communists in Vienna's first *bezirk* (under US chairmanship this month) started at approximately 1030 hours in protest of terms of announcement by trade union federation chairman Boehm that agreement had been reached on fourth price wage pact. Communists announced their opposition to terms, which included increase in both prices and wages. Communists demanded increase in wages with no increase in prices, and stated intention of peaceful demonstration. Normal Austrian police alerts made by Ministry of Interior.

By 1100 hours a group of 6,000 demonstrators over-ran police lines near Ministry of Interior and proceeded to the Austrian Federal Chancellery. Police re-enforcements used fire hoses, but were unable to overcome demonstrators. 400 police guarding Austrian Federal Chancellery stoned. Federal Chancellor [1] urgently requested US assistance. CG USFA directed alert of American troops in Vienna, and instructed CG HQ Command (chairman of VIAC [2] for this month) to call extraordinary session of VIAC commanders. Soviet commander did not participate. British and French commanders alerted their Vienna garrisons. Original request from Chancellery for assistance urgently repeated three times. However, Minister of Interior Helmer stated Austrian police capable of handling situation under existing conditions and requested no immediate intervention.

USFA reports indicated Federal Government officials, including Chancellor, not in imminent danger and that demonstration and riot was of political nature. Hence, no Allied troops committed.

By 1215 hours evidence of violence decreased and by 1330 hours mob dispersed under instructions of its leaders. Allied troops released from alert at 1500 hours.

Meeting of USIA shop stewards announced for 1800 hours today at which time decision as to further demonstrations will be made.

A splinter group returning to factories drove British personnel into Sacker (British) Hotel and into a police station for protection. Another such group of approximately 250 demonstrators assembled in front of American Bristol Hotel, but were dispersed by about 450 Austrian police. Austrian reports indicated demonstrators interrupted rail traffic at Eastbahnhof in Soviet tenth *bezirk* and in outlying areas in Soviet zone.

Situation in Vienna as of 1600 hours appeared normal.

[Keyes]

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[1] Dr. Leopold Figl.
[2] Vienna Inter-Allied Command.

863.062/10-150 : Telegram

The Chargé in Austria (Dowling) to the Secretary of State

TOP SECRET VIENNA, October 1, 1950—6 p. m.

583. Legtel 571, September 28.[1] Strikes and demonstrations past week in Vienna and Eastern Austria, which represent first tangible success of Communists since food riots of 1947, were marked by two salient factors: Overtness of Soviet instigation and assistance (see USFA report of AC meeting September 29 [2]), and lack of effectiveness of Austrian police. (Strike movement in Western Zones influenced by special circumstances reported separately.)

It is true Communist action was favored by public uneasiness re lowering of living standard as result new price-wage agreement, apprehensions re which were increased by secrecy of negotiations and sudden announcement of terms on September 26. It is also true that government and Trade Unions had neglected prepare public opinion for new agreement, and, in fact had given no serious consideration to situation which would prevail when agreement announced, although it could have been anticipated that Communists would as usual stage demonstrations. Finally, it seems evident that Interior Ministry, although warned some 24 hours in advance, badly underestimated potentialities of disturbance.

None of these factors, however, nor combination of them satisfactorily explains why police made such poor showing. Some observers are inclined to see connection with general discouragement and "softening" of morale in Eastern Austria (Legtel 483 September 17 [3]). Others stress inadequacy of police arms and morale implications thereof, yet others blame indecisiveness of police orders and shortcomings of senior police officials in disposition of police forces and in technical preparations for handling demonstrators.

Regardless of reason for police performance, it is evident government leaders were alarmed by this showing, have learned a lesson, and are determined to prevent a recurrence (Legtel 582, October 1 [4]). Trade Union leaders, also depressed and disturbed on the morning after, are likewise reacting vigorously if belatedly to ensure that Socialist workers resist Communist attempts resume trouble-making, and now appear confident they can hold line.

As to Communist action, it should be emphasized that they could not have achieved measure of success attained without Soviet assistance. Nature of action, however, lends weight to recent Intelligence

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[1] Not printed.

[2] Regarding the September 29 Allied Council meeting, see telegram P-5631, *infra*.

[3] Not printed, but see footnote 5, p. 469.

[4] Not printed; it reported the measures which the Austrian Cabinet had adopted to maintain public order. (763.00/10-150)

report that Central Committee of Party had decided concentrate on economic issues, where government is, of course, most vulnerable. This would enable them capitalize on winter unemployment, expected to reach new peak of 200,000 this year. Although Socialist leaders are already concerned at economic prospects next several months, it does not appear this Communist strategy, even if confirmed, would pose threat beyond capabilities of Trade Unionists to control, unless Soviets have in effect taken over management of program themselves and are to continue overt instigation and support so apparent in past week. It may be that Soviet have calculated they can thus intervene in popular economic issues, despite obvious violations of control agreement, with reasonable impunity. If it develops they have decided upon some such course, they can, if not checked, create grave difficulties imposing severe strain on government leadership and resources.

DOWLING

763.00/10–450 : Telegram

The United States High Commissioner for Austria (Keyes) to the Department of the Army

SECRET

VIENNA, October 4, 1950.

P–5631. For JCS and State from PACG signed Keyes.

1. Subject is Communist disturbances in Austria.

2. As Allied Council chairman I convened the British and French High Commission on 28 September to discuss the Communist-provoked disturbances arising from the recent wage/price agreement. All were in agreement that the Soviet element has given active assistance to Austrian Communist elements that instigated the recent riots. As a result of this meeting we decided that a formal protest should be made at the 28 [*29*] September meeting of the Allied Council and that we should, in advance, advise responsible Austrian representative of our action.

3. Accordingly, I summoned Chancellor Figl, Vice Chancellor Schaerf and Minister Helmer to my office the morning of 29 September and in the presence of the British High Commissioner and French Deputy Commissioner told them of our plans and pointed out to them the steps we felt they should take. I emphasized to the Austrian Government representative the need for them to utilize all security resources and adequate publicity in party news media to prevent internal disorder. I stated that the employment of occupation TPs to supress disorders would, in my opinon, be the ultimate step in diplomacy and could be used as a pretext by the Soviets to counter with similar measures by Soviet armed forces.

4. The Chancellor stated his conviction that the Austrian police and *gendarmerie* were loyal and would carry out their duties dependably. He felt that the majority of the demonstrators on 26 September were either spectators or impressed into joining the marchers. He acknowledged the seriousness of committing US, British and French TPs to quell any future riots. Minister Helmer likewise vouched for the integrity and loyalty of his police, but attributed any ineffectiveness to the serious material shortages they suffered. He needed immediate rubber clubs, steel helmets, tear gas, tear gas masks, carbines, machine pistols, and ammunition. Possible supply sources were discussed, and the French Deputy Commissioner promised to check on the availability of former German equipment in France. Minister Helmer complained bitterly of Soviet interference in the transfer of police reserves from the Soviet sector of the city, as well as other restrictions placed upon the employment of police.

I carefully pointed out that should US TPs ever be committed, they would be forced to rely upon their arms and not on their numbers which would undoubtedly mean bloodshed. In conclusion, the Austrian office [*officials*] expressed gratitude for the understanding shown by the US element and were firm in their conviction that the Austrian Government would be able to cope with the situation once the number of police have been increased and the necessary weapons provided.

5. The statements of the four High Commissioners in the Allied Council on 29 September were transmitted in paragraph 7 of our P C 25431 of that date.[1]

6. The control of demonstrations in Vienna is governed in detail by the Vienna inter-allied command decision of 9 January 1947. This may be found on page 9 of the Allied Commission *Gazette* for January 1947, No. 14.[2]

7. On 3 October the chancellor tendered a letter to the Allied Council reporting a conference between the Vienna police president and the acting Vienna Soviet city commandant. The Soviet representative, Colonel Pankratow, declared that Soviet orders issued last week which restricted the movement of Austrian police from the Soviet sectors of Vienna would remain in force. Only police who had been removed by order of the Soviet authorities could leave. Dismissals and transfers of police officials in the Soviet sectors would not be carried out without the consent of the Soviet element. Police forces of the Soviet Zone would not be employed in another zone. Finally, the Soviet acting commandant demanded the immediate dismissal of the police commandant of the 21 *bezirk*. This was characterized by

[1] Not found in Department of State files; however the minutes of this meeting, ALCO/M(50)131, are in file 763.0221/11-750.

[2] Not printed.

the federal chancellor as contrary to the control agreement, an obstacle to the preservation of law and order, and constituted Soviet support of activities directed against the Austrian Government. Since it was an avowed task of the Allied Commission to support the Austrian Government, the chancellor drew the conclusion that the actions of the Soviet element were therefore directed against the Allied Council itself. The federal chancellor's letter was referred by the allied secretariat to the Vienna inter-allied command which held a meeting at 1430, 4 October to consider it. After a 2 hour session, during which the Soviet representative refused to consider a US proposal to notify the police president that he had full authority to dispose of his forces as he saw fit, the letter was returned to the allied secretariat in disagreement. The Soviet member would neither confirm nor deny that he had given the unilateral instructions as charged in the chancellor's letter. He insisted that no further instructions to the Austrian police were necessary beyond the standing allied orders of 1947, and denied that the Soviet element had violated the control agreement or past VIAC agreements.

[Keyes]

Editorial Note

On October 5 Foreign Minister Gruber on behalf of the Austrian Government sent a message to Secretary Acheson reporting the attempts of the Communist Party to incite a general strike and the activities of the Soviet Kommandatura which prevented the government from maintaining order and security. Gruber concluded with a "fervent appeal to the United States Government, as an occupying power, to support it in its efforts to maintain order in the country."

In a statement released to the press on the following day Acting Secretary Webb stated that the Austrian Government had the full support of the United States, and in a message to Chancellor Figl on October 7 he reiterated this position saying "the actions taken by your Government to maintain law and order in the face of recent Communist inspired and Soviet supported disturbances have the full support of this Government." Webb assured the Federal Government that the United States would "take all proper action to fulfill its international commitments with respect to Austria and in particular to assure the maintenance of law and order in the areas of its responsibilities in Austria."

For the texts of the two messages and the press release, see Department of State *Bulletin*, October 16 and 23, 1950, pages 616 and 657.

Editorial Note

In addition to its appeal to Secretary Acheson, the Federal Government had on October 5 appealed to the Allied Council for support in maintaining order in the country and had protested Soviet interference in the carrying out of its constitutional duties. This note was considered by the Executive Committee of the Allied Commission for Austria at its 172d meeting on October 6, at which time the Soviet Element denied that it had violated the New Control Agreement for Austria.

Since no agreement could be reached in the Executive Committee on a reply to the Federal Government, the Austrian appeal was brought before the Allied Council by the Western Elements at its 132d meeting on October 13, and they asked the Soviet Element to explain its interference with the attempts of the Austrian Government to maintain order in the Eastern Zone. General Tsinev, in contrast to the usual Soviet tactic of placing the blame for Soviet interference on his local commanders, stated that the Soviet action was within the exclusive jurisdiction of the zonal commander and in any case did not violate the Control Agreement. Each of the Western Elements denied this interpretation of the Control Agreement but were unable to change the Soviet position.

Because of this unilateral interpretation, the Western Legations in Vienna recommended that their Governments protest the equivocal position taken by General Tsinev. The Department of State approved this proposal on October 20, instructing Embassy Moscow to coordinate with its British and French counterparts on the text of a note to the Soviet Government.

The Western Representatives in Moscow worked out the text of the note, based on a draft submitted by Legation Vienna, and delivered parallel notes on November 10. While they were doing this drafting, the Soviet Element continued to interfere in Austrian affairs, this time attempting to prevent disciplinary action against those police officers who had abetted the disturbances, and, at the Allied Council's 134th meeting on November 10, it defended its right to rescind the Federal Republic's orders removing the police officials in question. The three Western High Commissioners protested this usurpation of the Austrian Government's authority. However, being unable again to change the Soviet Element's position, they recommended to their Governments that a second note should be sent to the Soviet Government, protesting against this further unilateral interpretation of the Control Agreement. The second set of parallel notes was delivered to the Soviet Ministry of Foreign Affairs on November 22.

For the texts of the October 5 appeal and the two United States protests, see Margaret Carlyle, ed., *Documents on International Affairs*,

1949–1950 (London, Oxford University Press, 1953), pages 521–525. The minutes of the 172d Executive Committee meeting and the 132d and 134th Allied Council meetings are in file 763.0221/11–750 and 12–150. Additional documentation relating to the meetings of the Allied Council and the drafting of the two notes is in files 663.001/11–1650, 763.00, 763.0221, 763.13/10–2850, 863.50/10–1150, and 863.501.

663.001/10–1050

Memorandum of Conversation, by the Assistant Secretary of State for European Affairs (Perkins)

TOP SECRET [WASHINGTON,] October 10, 1950.

Participants: Dr. Karl Gruber, Austrian Foreign Minister [1]
Dr. Ludwig Kleinwaechter, Austrian Minister
EUR—Mr. Perkins
EUR—Mr. Bonbright [2]
WE—Mr. Byington [3]
WE—Mr. Williamson

Dr. Gruber raised the following points during the course of an extended conversation today on the Austrian question:

1. *The Treaty Settlement:* Dr. Gruber stressed that Western Powers maintain the initiative in seeking a final Austrian settlement in order to bolster the morale of the Austrian population in the Soviet zone and to prevent any popular support for Communist objectives in that area. He stated that the Austrian Government could do a great deal in preserving morale by pointing out the continued efforts of the Western Powers to obtain a final settlement which would involve the withdrawal of Soviet occupation troops. Dr. Gruber pointed out that a Soviet peace move might be made either in diplomatic channels or in the General Assembly in the near future. He hoped that Austria would not be forgotten in any discussions with the Soviet authorities on a general settlement but rather be made a paramount issue in any possible settlement. In addition, he hoped that Western representatives would make reference to Austria as often as possible during the course of debates in the General Assembly in order to keep this question alive and to link it to any general European settlement. Dr. Gruber expressed doubts concerning the advisability of presenting the Austrian Treaty issue to the General Assembly this year. He did not believe that sufficient coordination existed among the Western Powers or with the Austrian Government on this question. He stated

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[1] Gruber had been in the United States since October 8 on an unofficial visit.
[2] James C. H. Bonbright, Deputy Assistant Secretary of State for European Affairs.
[3] Homer M. Byington, Jr., Director of the Office of Western European Affairs.

that the Austrian Government had no special plans for appealing to the UN but such a course of action should be considered, possibly at the next Assembly or at some future time.

I told Dr. Gruber that we had certain reservations about presenting the Austrian Treaty issue to the General Assembly until we could simplify the issues in the Treaty negotiations and present the Assembly with a clear, concise problem. I stated that we did not want to put the Assembly in the business of negotiating the remaining unagreed articles in the Treaty. I stated, however, that we were thinking about this subject and had discussed it at length but further cooordination would be required with the British, French and the Austrians before any decision was reached.

2. *Coordination of U.S. activity and relations with the International Monetary Fund:* Dr. Gruber raised the same question he had discussed with Mr. Matthews on October 9 concerning the coordination of U.S. activities in Vienna.[4] He stated that he was sure the activities of the Legation, the Army and the ECA would be coordinated by Mr. Donnelly[5] but that there remained a problem of activity of the International Monetary Fund concerning the Austrian exchange rate. He pointed out the political implications in Austria raised by the IMF proposal for changes in the exchange rate. He hoped that the Austrian point of view could be presented to the U.S. member of the Fund or to the other participants in the Fund through diplomatic channels. It was impossible, Dr. Gruber stated, for the Austrian representative to discuss frankly the relationship between Communist activity and alterations in the exchange rate in view of Iron Curtain representation in the Fund.

I informed Dr. Gruber that we would make his views known to Mr. Southard[6] and to the NAC.

3. *ERP assistance to Austria:* Dr. Gruber pointed out that recent action by OEEC had resulted in dollar cuts in the Austrian assistance program. He outlined the need of the Austrian Government for dollar assistance in view of the drain on the economy caused by the presence of Soviet troops and Soviet economic activity. He stated that he realized that the Austrian position in this regard should be made known to the participating countries of OEEC through diplomatic channels. Nevertheless, he wished to stress to this Government the acute situation facing the Austrian Government.

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[4] Gruber had stated that the Army, Legation, and ECA "had not always coordinated their activities in presenting instructions to the Austrian Government" and "expressed the hope that greater coordination would be established in the future." Memorandum of conversation, October 9, not printed (763.001/10-950).

[5] Walter J. Donnelly, Minister to Austria from September 20, 1950.

[6] Frank A. Southard, Jr., Special Assistant to the Secretary of the Treasury and United States voting member on the Board of Executive Directors of the International Monetary Fund.

I urged Dr. Gruber to make these views known to Mr. Foster of the ECA.[7]

4. *East-West Trade:* Dr. Gruber spoke at length about the difficult situation which Austria faces with regard to current Western policy toward East-West trade. He stated that it was necessary for Austria to procure grain in Eastern Europe. If East-West trade were curtailed, credits will be necessary to enable Austria to purchase grain in the Western areas. Dr. Gruber stressed that this problem was urgent in Austria and lay at the basis for all future economic planning. He expressed the hope that due consideration would be given to Austria's special requirements. Dr. Gruber further pointed out that there was considerable pressure in Austria, particularly among the industrialists, to conclude a trade agreement with the Soviet Union. The Austrian Government has informed the Soviet Government that the proposed agreement can not be concluded until a settlement is reached on the German assets question and all other Soviet claims contained in the remaining unagreed articles in the Treaty. Dr. Gruber inquired what attitude the U.S. Government would take if Austria concluded the trade agreement with the Soviets. He stated that he would not take any action until the U.S. view was made known.

I informed Dr. Gruber that there was now in progress a series of discussions concerning East-West trade and that the objective was a situation which would work to the Western advantage and which would not increase the Soviet war potential. I assured him that due consideration would be given to the Austrian position. I further informed him that we would communicate to him through our Legation in Vienna the view of this Government concerning the conclusion of an Austro-Soviet trade agreement.

5. *Post-ECA aid assistance:* Dr. Gruber inquired whether any decision had been reached concerning a U.S. assistance program after the termination of ECA aid in 1952. He stated that continued assistance will be required for Austria, certainly as long as the Soviet occupation persists and until clarification is obtained on the entire question of East-West economic relations.

I informed Dr. Gruber that this question was currently under discussion both in Washington and with the Western Powers. I stated that we hoped to achieve soon a clarification of the relationship between the ECA program and the armaments program which has recently been agreed. I stated that in all probability assistance would be continued in one form or another but could not give him any definite information at this time. I informed him, however, that due consideration would be given to the Austrian requirements.

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[7] William C. Foster, Administrator of the Economic Cooperation Administration.

6. *Austrian internal security:* Dr. Gruber expressed the hope that tripartite arrangements would be made to facilitate the plans for the creation of an Austrian army. He stated that it was extremely difficult for the Austrian Government to deal with the British, French and U.S. Commanders on this question. He hoped that tripartite agreement would be reached whereby one Commander would be designated to speak for the three Western Powers. He has been informed by Sir Harold Caccia that the British element in Vienna would be willing to designate the U.S. Commander as tripartite spokesman. No approach has been made to the French. Dr. Gruber justified this request on the grounds of security and the highly classified nature of the negotiations. He stated that only one person had been designated by each political party to deal with this question in the Austrian Government and that the entire cabinet had not been informed.

I replied that this proposal would require serious consideration in as much as all three Western Powers had the same status in Austria and were mutually agreed to carry out the program for the Austrian security force. I stated that no formal arangement should be made to designate one Commander as spokesman but that this question should be discussed by the three High Commissioners in Vienna and local arrangements made to facilitate contact with the Austrian Government on the question of the Austrian army.

7. *Increase in the Gendarmerie:* Dr. Gruber stated that he had been requested by General Keyes and the British Commander, Major General M. M. Alston-Roberts-West, to increase the Austrian *gendarmerie* immediately by 2,400 men. He stated that this request raised a serious problem of financing since provision for the costs involved could not be included in the Austrian budget and presented to the Allied Council for approval. Such action would lead not only to a Soviet veto of the budget, but also to accusations by the Soviet member concerning Austrian military activity. He hoped that funds could be provided in some way, possibly through the use of counterpart schillings, so that provision could be made in the budget for some new item thereby releasing funds for the increase in the *gendarmerie.* He stated that the increase in the *gendarmerie* was necessary not only to maintain security at the present time but also to provide a means for training officers in the future Austrian army. He stated that the fire brigades could be expanded to provide training for enlisted men in the future Austrian army.

I stated that no immediate answer could be given but that we would look into the question and consult Mr. Donnelly after his arrival in Vienna to ascertain if by any device the necessary funds could be provided. Also told Gruber that arrangements would have to be worked out on the ground and he should consult Donnelly.

8. *Occupation costs:* Dr. Gruber stated that he had been informed by the British that the recent decision to increase the number of Western troops stationed in Europe would involve an increase in the British troop strength in Austria. The British Government has informed him that this will involve new requisitioning of housing in order to provide billets. It will also involve an increase in the occupation costs paid by Austria to the British and French. Dr. Gruber stressed the political and economic necessity for obtaining a renunciation by the British and French of their right to collect occupation costs. He stated that new requisitioning of housing would have major political effects in Austria. He stated that to his knowledge the British and French have done nothing with regard to relieving the burdens of occupation since the tripartite declaration in London of May 1950. He stated that if some provision could be made to provide an offset whereby the cost of occupation could be obtained from other sources by the British and French, the Austrian Government would be willing to provide funds to assist the British and French in constructing billets for the projected increase in troops. He stated that he had no definite proposals to make on this question.

I inquired whether the Austrian Government would regard the payment of occupation costs as part of their contribution for the common defense of Western Europe since Austria was not required to maintain a national army. Dr. Gruber stated that he realized the difficulties involved in obtaining British and French approval for his plan due to the increase in their own military budgets but hoped that some device could be worked out whereby schillings provided by the Austrian Government would not be called occupation costs. He stated that he believed the British would renounce their right to collect these costs if Austrian assistance could be provided for a building program. He stated that this problem was the most urgent and pressing political problem in Austria today.

I assured Dr. Gruber that we were studying this question and were continuing to discuss it with the British and French. I expressed the hope that we would be able to give him some definite proposal in the near future but that any arrangement must be worked out in relation to the entire program for European rearmament.[8]

George W. Perkins

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[8] On October 13, the substance of this memorandum was transmitted to Vienna (repeated to London and Paris) as telegram 685, not printed (663.001/10–1350), together with the information that Gruber had also discussed the Austrian question with Secretary Acheson, Under Secretary Webb, Secretary of Defense Marshall, Under Secretary Lovett, Administrator Foster, and President Truman. Memoranda of conversation with Webb and Acheson, not printed, are in files 611.63/10–1150 and 763.00/10–1150. No records of Gruber's discussions with the other officials have been found in Department of State files.

Editorial Note

On October 12 President Truman signed Executive Order 10177, transferring the United States occupation functions in Austria from the Department of the Army to the Department of State with the exception of military matters which would remain the province of the Commanding General, effective October 16. Walter J. Donnelly, who had been nominated for the post in August, took up the position as United States High Commissioner for Austria from that date, replacing General Keyes. A copy of the Executive Order is in file 763.0221/10–1350, or see Department of State *Bulletin*, October 23, 1950, page 679.

Vienna Post Files : Lot 55 F 125 : 320–US Policy

Directive for the United States High Commissioner for Austria [1]

TOP SECRET [WASHINGTON,] October 16, 1950.

1. The primary aim of the U.S. Mission in Austria is two-fold, (1) the protection of U.S. interests in Austria and (2) the re-establishment of a free, independent and democratic Austria, capable of defending itself against internal disorders and, in so far as possible, economically viable.

2. The United States regards Austria as a liberated country, illegally annexed by the German Reich, and therefore not responsible for the acts of the Nazi regime during the period of the Anschluss, though the Austrian Government will be expected to rectify certain injustices committed during this period. The Austrian Government is democratic and friendly. The United States has constantly endeavored since the close of hostilities to obtain a State Treaty for Austria and thus to assure the withdrawal of all occupation forces from the country and the restoration of its complete sovereignty. The fact that such a treaty has not been obtained and therefore Austria is still an occupied country, subject to certain controls incompatible with complete sovereignty, is in no way the fault of the Austrian people or their government, but is due to Soviet intransigence and unwillingness to withdraw from Austria. Under these circumstances, the Foreign Ministers of the three Western occupation powers have decided to reduce the burden of occupation on Austria as far as is possible without Soviet cooperation, while continuing to press for the conclusion of a State Treaty or other Four-Power agreement as the

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[1] Transmitted as an enclosure to instruction No. 61, November 1, to Vienna, not printed (Vienna Post Files, Lot 55 F 125, 320–US Policy).

only permanent solution of the Austrian problem. (See NSC 38/6 [2] and agreements of the three Western Foreign Ministers in May 1950.[3])

3. The extent of your powers with respect to the control of Austria and as a member of the Allied Commission is defined in the Control Agreement of June 28, 1946.[4] Under Article 1(*a*) of that agreement, the Allied Commission has competence to define its own jurisdiction. Your authority as High Commissioner, acting with the High Commissioners of the other three occupying powers, is therefore theoretically supreme in Austria, but it is the policy of the United States to encourage the maximum exercise of authority by the Austrian Government consistent with (*a*) the security of U.S. forces and (*b*) quadripartite agreements. As long as Soviet troops remain in Austria, it is essential that the Western Powers retain their troops there, and this occupation necessarily involves the retention of certain privileges and immunities for the protection and security of our forces. It is further necessary to preserve the forms of quadripartite control as agreed among the occupying powers, in order to avoid encouraging unilateral action in the various zones and possibly giving an excuse for the partition of the country. Subject to these considerations, the U.S. intends to interfere as little as possible in Austrian affairs, to relinquish all controls over the Austrian Government which it is practical to relinquish unilaterally, and to press in the Allied Commission for the relinquishment of quadripartite controls.

4. In furthering the above objectives it is necessary for the U.S. High Commissioner to act in close cooperation with the High Commissioners of Great Britain and France. It is particularly important that the Western High Commissioners do all in their power to prevent interference by the Soviet element with Austrian affairs, on either a unilateral or a quadripartite basis. In matters not expressly reserved to the control of the occupying powers by the Control Agreement for Austria or Allied Council Decisions, the U.S. considers that, in general, the Austrian Government is free to act as it sees fit, in the absence of unanimous Allied Council instructions, and that in such matters it is desirable to overrule the actions of the Austrian Government only in cases of the most urgent necessity.

5. The U.S. is opposed to all measures tending to divide Austria along zonal lines and, subject only to military security, treats Austria as a unit, without regard to the zones of occupation of the four powers. The products of Austrian industry and agriculture should be used for the benefit of the Austrian people as a whole, without restrictions on

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[2] Regarding NSC 38/6, see the editorial note, p. 397.

[3] Regarding the Foreign Ministers agreements on Austria, including the text of the declaration on Austria, see vol. III, pp. 1001 ff.

[4] For the text of the New Control Agreement for Austria, see *A Decade of American Foreign Policy, Basic Documents, 1941–1949* (Washington, Government Printing Office, 1950), pp. 614–620.

shipment of goods within Austria except to the extent necessary to further U.S. policies with respect to East-West trade. It is desirable to abolish or decrease the restrictions imposed on freedom of travel within Austria. Except for the necessary immunities of official representatives of the four occupation powers and their dependents, there is no necessity for any restriction on Austria's control over movement of persons and goods across its international boundaries. The U.S. also supports measures tending to abolish or decrease Allied controls over Austrian communications and transportation, including controls over civil aviation. (Ref. ACC 11/25*c*, June 6, 1950.[5])

6. This Government favors the admission of Austria as a member to the United Nations, to agencies thereof and to other international organizations which will assist Austria in entering into friendly and normal relations with other countries, on an equal footing. It also desires to assist the Austrian Government in extending its trade with other countries, including Germany, subject only to the necessity of enforcing agreed restrictions on trade with Eastern Europe and of assuring that Austria does not become economically dependent on any country or group of countries to an extent which would jeopardize its political independence. It opposes all efforts by other states, specifically by the Soviet Union, to divert Austrian products for their own use or to obtain a special status for properties, rights or interests of non-Austrians which might threaten Austria's independence.

7. Pending final disposition, it is U.S. policy to permit Austrian control of German assets in our zone under a trusteeship arrangement.

The U.S. has encouraged the Austrian Government to make good the injustices committed by the Nazi regime, in so far as this is possible with the limited resources at Austria's disposal, as well as the elimination from Austrian public life of the influence of former Nazis and other undemocratic elements. It is important to support all Austrian efforts to assure the respect for democracy and human rights. The primary responsibility in this matter rests with the Austrian Government, and it is our policy, therefore, to intervene directly only when quadripartite commitments or other urgent considerations require.

8. In cooperation with the French and British Governments, we have supported and encouraged the Austrian Government in forming and maintaining security forces adequate for the maintenance of internal security, and in planning for the formation of an Austrian army within the limitations imposed by the draft Treaty, to be recruited as soon as the restrictions presently imposed by international agreement are removed (NSC 38/4[6]). A separate instruction will be sent to you on this subject, which emphasizes the fact that the establishment of adequate Austrian security forces prior to the withdrawal

[5] Not printed.
[6] *Foreign Relations*, 1949, vol. III, p. 1190.

of the occupation forces is a basic U.S. requirement. The Commanding General, U.S. Forces in Austria, will provide the required assistance in making detailed plans, in coordination with British, French, and Austrian authorities, for such forces. Satisfactory completion of plans will require aggressive U.S. leadership and continuing coordination with British and French representatives in Austria and constant pressure on the Austrian Government to assure its cooperation. The successful implementation by the Commanding General, USFA, of U.S. responsibilities with respect to the completed plans will require your continued cooperation. Wherever possible, it is preferable to leave the maintenance of internal security to the Austrian authorities, but this Government will not hesitate to protect these authorities should they be threatened by internal disorder or uprising of a subversive nature, in either the U.S. zone of Austria or the U.S. or International Sectors of Vienna. In the event of such an emergency the U.S. High Commissioner will consult and work closely with the U.S. Commander of troops and with the French and British High Commissioners.

9. It is essential (as provided in NSC 63/1 [7]) to oppose any effort to restrict the U.S. air, rail and road communications presently available between Vienna and the U.S. zone of occupation, to uphold our right to such communications under international agreements (see EAC agreement of July 9, 1945; protocol of the meeting of the Chiefs of Staff at Vienna, July 24 and 25, 1945; and AC decision of June 28, 1946, on air traffic over the occupied zones of Austria [8]), and otherwise to maintain and defend all U.S. rights, powers, and privileges in Austria under existing international agreements.

10. This Government recognizes the freedom of the Austrian courts to exercise ordinary civil and criminal jurisdiction over all persons in Austria except Allied nationals whose presence in Austria is related to the support of the occupation forces (hereinafter called "members of the occupation forces") of the four powers, unless jurisdiction is taken by Allied agencies. In the U.S. zone the High Commissioner may, at his discretion, exercise such jurisdiction. It is not believed advisable to permit U.S. agencies to arrest or try persons other than U.S. nationals who are members of the U.S. occupation forces except in cases of extreme urgency which directly threaten the security of U.S. forces or which seriously endanger public safety, and where the Austrian authorities are not in a position to act effectively. The High Commissioner will exercise criminal jurisdiction over members of the U.S. occupation forces other than military personnel. The High Commissioner may, at his discretion, permit the Austrian courts to take

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[7] February 16, p. 372.

[8] For the text of the European Advisory Commission agreement of July 9, 1945, see Department of State Treaties and Other International Acts Series (TIAS) No. 1600, or 61 Stat. (pt. 3) 2679; the other documents under reference are not printed.

jurisdiction in civil cases involving U.S. nationals, other than military personnel, who are members of the occupation forces, or may take such jurisdiction himself. In exercising civil and criminal jurisdiction the High Commissioner will apply Austrian law.

11. It is U.S. policy to assist the Austrian Government in its efforts directed towards the reconstruction and development of the Austrian economy, and to further Austrian trade, industry, agriculture, tourism, and finance in order that Austria may become self-sustaining in as short a time as possible (see ECA agreement with Austria [9]). The U.S. is opposed to restrictive business practices in Austria. It encourages the participation of Austria in international trade, on a free and multilateral basis, as well as in such international organizations as the International Monetary Fund, International Bank, International Labor Organization and European Payments Union.

12. This Government has endeavored to promote the resumption and expansion by Austria of normal international cultural relations; to assist the establishment of democratic education and information media; to explain and interpret U.S. policy in such a way as to inspire respect and friendship for the United States in Austria; and to use the U.S. information media in Austria to oppose all forms of totalitarianism, to counteract hostile propaganda, and to further democracy. The U.S. encourages the free flow of cultural interchange and the mutual exchange of persons between Austria and the United States, as well as with other democratic countries.

13. It is necessary to retain overall supervision concerning refugees and displaced persons under the mandate of the IRO and other categories such as ex-enemy aliens and Volksdeutsche which will become the concern of the United Nations High Commissioner for Refugees. Every effort should be made to effect in the shortest time possible the maximum voluntary repatriation or resettlement in other countries of such refugees and displaced persons, and to secure to the extent feasible the re-establishment in Austria either as citizens, holders of permanent residence permits or in an alien status conforming to acceptable international standards of those who cannot be repatriated or resettled. In the pursuit of these efforts the Austrian Government should be constantly reminded that it shares responsibility with the occupying authorities and the United Nations for the early satisfactory disposition of refugees and displaced persons found on its territory as a result of the war or subsequently admitted. Necessary action should be taken with the Austrian Government to insure the continuing admission to Austria of bona fide refugees and provision by Austria of basic care and maintenance for refugees and displaced persons

[9] For the texts of the ECA agreement with Austria of July 2, 1948, and the amendments thereto of October 21 and November 30, 1949, and February 20, 1950, see TIAS Nos. 1780 and 2020.

pending their disposition. It is U.S. policy to support in every feasible way the efforts of the IRO, the U.S. Displaced Persons Commission, the Office of the United Nations High Commissioner for Refugees, and other accredited agencies working toward the foregoing objectives. In so far as is consistent with security interests, USCOA should permit the entry to the United States Zone of accredited repatriation missions of the countries of origin of displaced persons and should allow such missions access to refugees or displaced persons who are nationals of their respective countries, arranging facilities for them at no cost to the United States, and supervising their activities while in the United States Zone. The United States is strongly opposed to all efforts to enforce the involuntary repatriation of refugees or displaced persons. Prior to the effective date of an Austrian Treaty containing the Soviet paragraph 5 of Article 16, you should, in accordance with established United States policy, secure the removal from Austria to other countries including Germany of all persons who would be endangered under that paragraph. The U.S. opposes the extradition of war criminals from Austria except after investigation of each individual has established that a *prima facie* case exists against the person in question.

14. Your relationship with the Commanding General, U.S. Forces in Austria, is outlined in Executive Order No. 10171.[10] You will be the supreme U.S. Authority in Austria, and will be responsible for the total governmental program in Austria, except for military matters. Your relationships with other U.S. Governmental agencies will be as set forth in the agreement between the Department of State and ECA, of October, 1950. You will be responsible for coordination of intelligence activities of the U.S. agencies in Austria and for such liaison with the Commanding General of U.S. military forces as may be desirable in matters of common concern. In accordance with agreements between the Department of State and the Department of Defense, you will be furnished by the Military Commander certain administrative and logistic support for your operations and activities. Whenever in your opinion any facility or service being furnished by the Military Commander can conveniently be procured directly from the Austrian economy, under the terms of the Pay-as-You-go Agreement of June 21, 1947 and without detriment to the Austrian economy, you should, by mutual agreement, release the Military Commander from providing such facility or service. It has been agreed that you will provide the Military Commander funds in Schillings as required by him for the same general purposes as are now being provided in the occupation and non-occupation budgets, in accordance with the Pay-as-You-go Agreement of June 21, 1947. In the

[10] Not printed.

allocation of occupation costs to the other occupying powers by the Austrian Government, the U.S. insists on allocation on an equal basis, by agreed Allied Council action only.

15. In staffing your organization it is contemplated that, to the maximum extent practicable, existing personnel of USFA will be employed by appointment to the Foreign Service Reserve or the Foreign Service Staff Corps. The Military Commander will detail to your service such military personnel as may be required for the work of the Allied Council, with particular reference to the Military, Air, and Naval directorates thereof, and the Allied Kommandatura in Vienna. Upon your request, the Military Commander will take the necessary measures for the maintenance of law and order within the United States Zone and the United States and International Sectors of Vienna and to assist you in the fulfillment of your mission. In the event of emergency both you and the Military Commander, in consultation when possible, will take whatever action is considered essential to support U.S. policy and to safeguard the security of U.S. personnel. If major differences arise with the Military Commander, you will submit the necessary reports and recommendations to the Department of State. Under Article 2(*c*) of the New Control Agreement, you may be required to take action to maintain law and order if the Austrian authorities are unable to do so. Under Article 8, pending conclusion of an immunities agreement, the members of your staff, military and civilian, enjoy existing rights and immunities deriving either from the Declaration on the Defeat of Germany or from the powers of a Commander-in-Chief in the field, although it has been the policy of the United States to reduce such immunities to the minimum required for security purposes.

16. Your relationship to the Austrian Government in all fields in which it is competent to act independently is that of Envoy Extraordinary and Minister Plenipotentiary of the United States. You will have full responsibility for the execution and implementation of United States policy in Austria, except for such specific responsibilities as may be attached to members of your staff for military or other technical reasons. You will be kept informed of policy decisions and other developments which may affect your operations. In this connection the Department will rely heavily upon the information received from you, and will expect regular, prompt, and reasonably detailed reports of developments in Austria, in addition to such special reports as may from time to time be requested. You will forward to the Department of State copies of all directives or orders issued by you, other than those of a purely routine administrative character, as well as copies of pertinent directives and orders issued by the Commanding General of U.S. military forces in Austria with respect to matters of mutual concern.

17. In effecting the transfer from military to civilian control of the U.S. Mission in Austria, the High Commissioner will be guided by the agreement of the three Western Foreign Ministers, in May 1950, that:

"(1) No break should occur in the continuity of authority and operations in the Allied Council organization during the transfer from military to civilian control.

"(2) No situation should be created by the transfer which will prevent immediate military action by the Western authorities if and when required.

"(3) No impression should be given to the Austrians that they are being deprived of military protection by transfer of control."

18. This Directive will be modified and supplemented as circumstances require and you will otherwise be guided by U.S. policies as they may from time to time be communicated to you.

Approved DEAN ACHESON

763.00/11-2450 : Telegram

The United States High Commissioner for Austria (Donnelly) to the Secretary of State

SECRET VIENNA, November 24, 1950—9 p. m.

1017. Reference Deptel 992, November 22.[1] Advantage taken of General Irwin's [2] presence in Vienna today for discussion with British and French Commanding Generals of maintenance law and order in first *bezirk* of Vienna during Soviet month. Three Commanding Generals were in agreement that difficulties likely to arise only in following alternatives:

(*a*) Soviets would ostensibly disassociate themselves from local Communist inspired disorders and would maintain only normal patrols in first *bezirk;*

(*b*) Soviets would actively intervene with their military forces in which case they would obviously be participating in overthrow of Austrian Government. Neither [*In either*] alternative, action by VIAC would be taken only upon request from Austrian Government for assistance of occupation forces in maintenance law and order. If Soviet chairman of VIAC failed to act on Austrian request, next senior VIAC commander (i.e. American) would inform Western High Commanders [*Commissioners?*] of VIAC impasse. Three Western High Commanders [*Commissioners?*] acting jointly would demand

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[1] Not printed; it reported that the Departments of State and Defense concurred that the problem of maintaining order in the first *bezirk* of Vienna during the month of Soviet Chairmanship should be investigated and that a tripartite policy should be agreed in order that immediate action could be taken in any emergency. (863.50/11-2250)

[2] Lt. Gen. Stafford LeRoy Irwin had replaced General Keyes as Commanding General of the United States forces in Austria at the end of October.

immediate meeting AC. If Soviet chairman of AC in turn refused convene AC, three West High Commanders [*Commissioners?*] would then instruct VIAC Commanders to take appropriate measures to meet Austrian request and endeavor restore law and order in first *bezirk*.

It is the consensus of opinion of three Commanding Generals and VIAC Commanders that in first alternative mentioned above Western troops could probably be moved into first *bezirk* without consequences other than strenuous protests by Soviet element that Western elements were violating control agreement and quadripartite procedure. It is recognized, however, that in second alternative any western use of force would be met by Soviet force. Question would, therefore, arise as to how far Western Commanders might go in use of force to implement their directives. This is, of course, decision for three governments to make. Re US forces, reference is made to NSC 63/1 which limits American counteraction to Soviet measures to "show of force," rather than "use of force."

Three Western Commanding Generals further agreed that best measure to cope with any likely disorders in first *bezirk* was further strengthening of Vienna police. To this end, they are again reviewing supply situation with view to augmenting reserve stocks of Vienna police in indicated categories.[3]

DONNELLY

[3] In telegram 1061, December 1, to Vienna, not printed, the Department of State concurred that the Austrian police should be strengthened, and added:

"Dept believes West HICOMS shld act independent of Sovs to preserve order in first *bezirk* despite provisions VIAC Agreement Jan 1947 if Sov action shld prevent operation normal procedures stipulated that agreement. . . .

State and Defense agree all proper steps including use of US troops shld be taken to prevent unlawful seizure of power by Communists. Troops shld not be used except as last resort and only after it is clear order cannot be maintained by Aust police." (863.501/12–150)

763.0221/11–2450 : Telegram

The Secretary of State to the Legation in Austria

SECRET WASHINGTON, December 1, 1950—6 p. m.

1055. Legtel 1012, Nov 24 and Deptel 963 Nov 20.[1] Presume you assured Gruber Dept has recently urged UK and Fr to assume their occupation costs without success. Further conversations not practical. No device known here for absorbing or disguising costs unless govts

[1] Neither printed; in the former Donnelly reported that Gruber hoped "the British and French will agree to drop their costs and that our government will continue to support the Austrian Government in urging the British and French to cease collection costs at once;" in the latter the Department of State told Donnelly that it considered "further delay in agreeing on allocations of schillings for 'mil' occupation costs is best course of action at present." (763.0221/11–950 and 11–2450)

of occupying powers willing to include in their budgets. We interpreted Gruber's housing proposal as meaning allocating of schillings labeled for housing construction in Br, Fr and other zones equivalent to probable total requirements of schillings by occupying powers, title to any houses built to be held by these powers but to be restored to Austs later. Schillings to be available provisionally to meet non-housing expenditures. If this correct interpretation, questions arise as to probable effects on Sov attitude, internal political controversy on housing, extent and nature and timing of building actually to be undertaken, acceptability to US [*Br?*] and Fr, possible effect on US requirements for schillings and pay-as-you-go system.

If however, Gruber's plan means schillings equivalent only to practical possibility of housing construction for dwellings to reduce rent believed here plan would eliminate only small fraction of total requirements.

If it seems necessary to follow this suggestion further clarification of nature of plan would be desirable but explorations shld be handled in manner to avoid any implications that US wld favor action along these lines since difficulties seem to outweigh possible advantages and there might be danger new areas of controversy with Sov.

Continued postponement of decision on allocation see (Deptel 963 Nov 20), causing Fr and Sov to use balances and Aust to meet in various ways portion of civilian occupation costs judged to be procedure for present best calculated to lighten burden on Aust. No apparent reason why US policy on important matter of occupation costs shld be conclusively influenced by Fr shortage schilling Paris (Tel 2951 Nov 24 [2]) for expenses over and above legitimate costs already paid by Aust Govt. This view reenforced by London 3118 Nov 28 [3] just received.

ACHESON

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[2] Not printed; it reported that the French were "in dire financial straits in Austria" due to the lack of disbursement of schillings for occupation costs. (763.0221/11–2450)

[3] Not printed; it reported that the British did not relate occupation costs to the strength of their troops in Austria. The British believed "that statement of French military commander re possible necessity withdrawal some French occupation troops . . . might be feeler to determine whether shock treatment on Western allies would be sufficient to make them (particularly British) come to agreement on occupation costs." (763.0221/11–2850)

863.501/12-750 : Telegram

The United States High Commissioner for Austria (Donnelly) to the Secretary of State

SECRET VIENNA, December 7, 1950—8 p. m.

1131. Deptel 1084, December 5.[1] Legation agrees that if disciplinary investigation five police chiefs results in decisions of not guilty as in case eight officials who attended Stadlau Conference serious precedent would be created which might lead Soviets to believe that they can dictate conditions of police control in their zone. There is however no evidence yet that this will be result. We have continued urge firmness on Austrian Government in issue of police officials and have received assurances from both ministerial level and political internal security officer in Ministry Interior that prosecution will be seen through to end.

Case of eight officials (Legtel 1098, December 2[2]) differentiated by Schaerf in conversation yesterday, who stated their offense not in comparable category. Government was aware that eight were not Communists and that attendance at Stadlau meeting not grave, but brought charges as warning to other police personnel and in belief that government would be in better position vis-à-vis Soviets if nation [*action*] not limited solely to Commies, but any police who had been negligent or equivocal in discharge of duty.

I also discussed matter with Figl today and told him frankly that we interpreted treatment of eight officials as weakening on part Austrian Government. We were afraid, I added, this might be followed by lenient treatment of five police chiefs. Figl said he shared our apprehension and was determined that five police chiefs must be removed soonest. He would see to it there would be no further postponement of case. I reminded Figl of two protests to Soviets by three Western powers, following strong position in AC and that if Austrian Government weakened at this time it could be regarded victory of Soviets and defeat for Austria and West. Figl agreed.

Feeling in government rests on no illusions about Soviet willingness make concessions, but on increased self-confidence that by playing the game as carefully as they have since September Government has gradually but perceptibly made real progress in objective reducing

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[1] Not printed; it stated that the reprimand of the eight police officials appeared to indicate a willingness by the Austrians to compromise with the Soviet Element. If similar action was taken on the five police chiefs the Soviet Element would "have gained everything they could have expected and established dangerous precedent that removal of Aust officials their zone requires their consent." (863.501/12-250)

[2] Not printed; it reported the outcome of the case (863.501/12-250).

Commie influence in police. Government in fact a little surprised that they have accomplished as much as they have, and are itching for renewed Soviet impositions after this lull. Government regards as accomplishments fact that by initiating disciplinary measures they have for first time challenged Soviets over police issue, appointed non-Commie police chiefs in Wiener-Neustadt and St. Poelten, introduced 500 new gendarmes into Soviet Zone, have succeeded in eliminating Commie police chief First *Bezirk* and three Commie gendarmes from Lower Austria, and have five additional chiefs on the grill. No question of government's desire to press this type of action as far as possible. They feel that obvious limit beyond which direct action can not be pressed is point where Soviets would have pretext for partition or measures equivalent to East-West division of police force.

Legation considers Austrian view realistic. Although it cannot be excluded that Austrians would be willing accept only partial victory if they feel they could thereby achieve substantial part their objectives. Even so, they would undoubtedly return to issue at next opportunity in accordance with classic pattern of Austrian dealings with Soviets. As we see it, important factor is to keep Austrians moving along path of increasing resistance to Soviet occupation regime, and as suggested Deptel 1084, Legation will emphasize long run importance of firm and consistent opposition and of not compromising principle involved out of exaggerated sensitivity about partition.[3]

Department pass Moscow. Sent Department 1131, repeated info Paris 122, London 60, Moscow 28.

DONNELLY

[3] In telegram 1145, December 11, to Vienna, not printed, the Department of State concurred in these views and expressed its pleasure that the Austrian attitude was more realistic than it seemed. (863.501/12–750) Subsequently Legation Vienna reported that Interior Minister Helmer had ordered the findings of the board set aside and the eight accused officials "to appear before supreme disciplinary board composed of high-ranking members of Ministry." (Telegram 1172, December 12, from Vienna, not printed, 863.501/12–1250)

Editorial Note

On December 15, Under Secretary Webb prepared the second progress report on NSC 38/6, "Future Courses of U.S. Action with Respect to Austria", for James S. Lay, Jr., the Executive Secretary of the National Security Council. In this report Webb outlined the developments with respect to Austria since the first progress report in August, noting the meetings of the Deputies for Austria, the change to civilian High Commissioners, the acceptance of the tripartite military report by the United States, the support of the Federal Government during

the Soviet-supported disturbances, and the precautions taken to preserve order in the first *bezirk* of Vienna. A copy of the report, not printed, is in file 763.00/12–1550.

763.0221/12–1850 : Telegram

The Acting Secretary of State to the Legation in Austria

SECRET WASHINGTON, December 20, 1950—8 p. m.

1205. Legtel 1200 Dec 14, Legtel 1216 Dec 18.[1] Dept review experience occupation costs since liberation leads to conclusion that whereas for first two years the principle of equal distribution and declining amts cash allocations served policy western powers in Aust, even this period, US retained bargaining power by postponement of decisions since Aust refused to make unilateral allocation to Sov.

In 1948 and 1949 new situation with no cash allocations greatly reduced burden on Aust. During this later period Civilian OCC costs of the four occupying powers have differed in amt but because of this method of securing OCC costs, the effect has been substantial saving in schilling cost to Aust economy, probably 400 million schillings in two years. During period of no cash allocation, Sov appear to have used no more supplies and services than during earlier period. Since Sov have never repaid Austs any part of civ OCC costs, schillings allocated to them were net advantage in early period. In the case of the other occupying powers, these schillings were source of funds for partial or complete repayment.

Dept believes that if cash allocations were to be made now even though limited to 1950, the following would result. (1) Brit wld request approx 186 mil schillings. (2) Other three powers wld call for similar amts. (3) US wld return schillings and buy needed sums with dollars. (4) Brit wld repay Aust, probably with some time-lag. (5) Fr wld get schillings possibly 146 mil in excess of needs for civ OCC costs. (6) Sov wld receive 186 million net of civ OCC costs since in spite of agreements they have always found ways to get facilities and not repay. Additional burden to Aust economy wld thus probably be above 186 mil. Moreover, western powers wld lose virtually only area of negotiations where Sov make request and western powers agree or deny request.

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[1] Neither printed; the former reported Legation Vienna's "complete sympathy" with the aims "of reducing occupation costs to minimum and denying additional cash funds to Soviets", but stated its view that abandonment of the principle of equal allocations would "seriously impair achievement of these aims". The latter reported that Legation Vienna felt any accommodation scheme for the French before quadripartite agreement was reached on the allocation of occupation funds "would immediately become known to Soviets through leaks from interested Austrian Ministries," and would result in similar demands from the Soviet Element. (763.0221/12–1450 and 1850)

On Dec 19 a representative of the Fr Emb called to present *Aide-Mémoire* with info similar to that in Paristel 3469 Dec 16 [2] (see also Deptel 1163 Dec 13 [3] and Legtel 1216).

Dept still uncertain why 30 or 40 million are important to Fr. Apparently would offset past payment by Fr for Aust services or rentals but wld probably constitute a small schilling reserve for future needs. If Dept interpretation correct some arrangement whereby Austs wld merge small past obligations with current Fr civ OCC costs payments without any conspicuous new agreement shld be possible. Such an arrangement would parallel payment of OCC costs for Sov and Brit and have been met by the Aust for Fr throughout most of this period. Thus no new precedent and no new controversial issue wld be raised even if facts shld leak. Dept sees no reason why such an arrangement need be opposed by US on the other hand, US shld not take initiative.

Re Deptel 1216 continued consideration will be given to inducing UK and Fr to adopt US Principle of pay-as-you-go but representation to the Govts cannot be made unless some new element enters into situation. For your info question of Fr payment part of Ger OCC costs will soon be raised in interim Ger settlement, thus premature or definitive action re Aust in Vienna or Washington might complicate other issues.

Any Sov effort to press point of allocation shld be basis for western insistence that Sov have never fulfilled AC agreements re purpose of cash allocations and never met obligation to repay Aust advances civ OCC costs to Austs. In view of fact that Sov have not used schillings to meet OCC costs but for other purposes, further allocations of cash wld revive unagreed and illegal exploitation of Aust economy and cld not properly be considered a continuation of policy adopted in earlier years which Sov have consistently thwarted. Sent Vienna repeated to Paris and London.

WEBB

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[2] Not printed; it reported that the French Foreign Ministry was instructing its Embassy in Washington to request an interim procedure on occupation costs which would have the French High Commission submit bills to the Austrian Government. An estimated 30 to 40 million schillings in "advances" would cover their expenses. (763.0221/12–1650) A copy of the French *aide-mémoire* and a memorandum of conversation with Christian de Margerie, Counselor of the French Embassy, neither printed, are in file 763.0221/12–1950.

[3] Not printed; it reported the substance of a conversation with Kenneth D. Jamieson, Second Secretary of the British Embassy, and reiterated the Department's view that Legation Vienna should delay an Allied Council decision on occupation costs indefinitely (763.0221/12–1350). A memorandum of the conversation with Jamieson and a copy of the *aide-mémoire* which he left at the Department of State on December 8, neither printed, are in file 763.0221/12–850.

UNITED STATES PARTICIPATION IN THE NEGOTIATIONS FOR AN AUSTRIAN TREATY[1]

663.001/1-550 : Telegram

The United States Deputy for Austria at the Council of Foreign Ministers (Reber) to the Secretary of State

SECRET PARIS, January 5, 1950—7 p. m.

68. From Reber. I had long series conversations at Quai D'Orsay this afternoon with Couve de Murville, Seydoux, Rochefort, Schuman's *Chef de Cabinet*, and Berthelot.[2]

There appear to be two reasons for Schuman's concern in regard to paragraph 5, Article 16,[3] first is humanitarian, since he fears Soviet pressure will oblige Austria to return thousands of persons to Soviet control. It was said, however, that his concern might be abated if practical plan for pre-treaty evacuation at least of those who are in greatest danger could be worked out between the three of us. I repeated assurances in Deptel 4656,[4] that US was prepared to make its full contribution to solution of this problem. This, together with our interpretation that paragraph 5 would not apply to persons entering Austria after entry into force of treaty, was regarded as most helpful. Matter will again be discussed with Schuman before his departure tonight. French anxious to receive plan promised by Department and prepared to cooperate provided France is not called upon to receive excessive numbers. Rochefort stated, at present, nearly 1000 refugees month arriving here.

Schuman is also disturbed by implication that our acceptance of paragraph 5 might contravene undertakings assumed in IRO charter and Assembly resolutions establishing international responsibility for care of displaced persons and refugees. In order to counteract this impression, we discussed possibility of endeavoring to obtain from Soviets declaration that paragraph 5 would be applied in conformity with principles of previous international agreements and IRO charter. Soviets have always insisted that their language was in accordance with these principles. If this fails, tripartite declaration might be

[1] For previous documentation, see *Foreign Relations*, 1949, vol. III, pp. 1066 ff.

[2] Maurice Couve de Murville, Director General of Political Affairs; François Seydoux, Head of the European Affairs Section; and Marcel Berthelot, Deputy for Austria at the Council of Foreign Ministers, French Ministry for Foreign Affairs.

[3] The text of paragraph 5 of Article 16 (Displaced Persons and Refugees) proposed by the Soviet Union reads as follows:

"No relief shall be given by Austria to persons who refuse to return to their native countries, if these persons fought on the side of the enemies of the Allied and Associated Powers, or voluntarily collaborated with the enemies of these Powers, or are engaged in hostile activities against their countries of origin, as well as against any of the United Nations, or are members of organizations and groups which encourage Displaced Persons not to return to their countries of origin." (Unagreed Articles, *Foreign Relations*, 1949, vol. III, p. 1131.)

[4] Not printed.

made showing it is intention of Western Powers to insist that paragraph 5 be applied in conformity with these principles. France will prepare draft.

If measures along these lines can be taken, French assure me they are prepared to proceed with negotiations for purpose of speedy conclusion of treaty. In answer to specific question, Couve assured me that whereas France had some hesitations regarding treaty as whole, they were committed and ready to go ahead, together with British and ourselves. Couve said, however, as is well-known to all of us, decision whether there is to be treaty or not, was no longer in our hands. He had serious doubts that we would find Soviets any more prepared in London to reach final agreement than they were in New York. He considers that their attitude on Article 48 bis [5] is only pretext for delaying negotiations and believes it is important to try to clarify their position before discussing Articles 16 or 27,[6] with which I agreed.

We then discussed what might be done if Soviets either inform us in London that negotiations in Vienna are still underway or use some other obvious pretext for delay.[7]

Although, in those circumstances, he was inclined to favor immediate adjournment of Deputies, leaving it up to Zarubin [8] to set time of next meeting, he finally agreed that something of more definitive and spectacular nature might be required in order to demonstrate clearly that reasons for suspension were political rather than technical and that it is attitude of Soviet Union only which blocks progress.

We then discussed possibility of tripartite approach to Moscow, nature of which would be determined by Zarubin's attitude on Monday, but which should take place without delay, probably at close of first week. If we continue to meet indefinitely without making progress, we might be drawn into discussion of Article 16, undesirable at this time and affording Soviets pretext that our position on this article is responsible for adjournment.

In general, French seem prepared to agree to such a course of action, although Couve thought that this approach might be used by Soviets as excuse for further delay if Deputies were obliged to remain in session until answer given. Matter will be given further consideration and Berthelot furnished instructions when he arrives London for

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[5] Article 48 bis dealt with claims by the Occupation Authorities against Austria. These claims had been waived by the three Western Powers.

[6] Article 27, Prevention of German Rearmament.

[7] In telegram 111 (Delau 382), January 7, from London, not printed, Reber reported that Austrian representatives in Paris and London had informed him "that there had been no progress whatsoever as regards Vienna negotiations". (663.001/1–750) For further documentation on the Vienna negotiations, see *Foreign Relations*, 1949, vol. III, pp. 1146 ff.

[8] Georgyi Nikolayevich Zarubin, Soviet Ambassador in the United Kingdom and Deputy for Austria at the Council of Foreign Ministers.

tripartite meeting Monday morning, which is now scheduled to precede resumption of Deputies meeting in afternoon.

I plan to proceed London either Friday or Saturday, depending whether French wish further talks here.[9]

Sent Department 68, repeated London 22, Vienna 1, Department pass Moscow 4.

[REBER]

[9] On his return to London, Reber discussed the Austrian Treaty with William I. Mallet, the British Deputy for Austria, who agreed that the Western Deputies should concentrate on Article 48 bis in order to test Soviet intentions. Telegram 112 (Delau 383), January 7, from London, not printed (663.001/1-750).

663.001/1-750 : Telegram

The Secretary of State to the United States Deputy for Austria at the Council of Foreign Ministers (Reber), at London[1]

SECRET PRIORITY WASHINGTON, January 7, 1950—1 p. m.

72. Audel 225. Ref Paris 68 Jan 5 Dept is gratified Fr position reveals no serious tripartite difficulty regarding conclusion Aust Treaty. Practical steps now being considered with respect present and future impact para 5 Art 16 on situation in Aust. Definite plans will be transmitted shortly for discussion with Brit and Fr.

We agree with Fr view re undesirability further prolonged futile session but not with view (London's 5179 Dec 31[2]) on tactics in opening sessions as it wld give Zarubin excellent opportunity for postponing negots indefinitely. Our objective is utilize every means of pressure secure conclusion Treaty. We urge maintenance tripartite position on this point as well as firm agreement on tactics to be used in face Sov stalling in forthcoming negots.

In tripartite mtg Monday you may wish propose that best tactics for opening sessions wld be to assume Sov element now prepared conclude negots at early date on basis assurances last New York mtg. Issue shld not be forced with Sov Deputy at this time as it wld place him in position making possible a disruption of negots. Discussion Art 16 and 27 shld be avoided pending determination Zarubin's gen attitude.

We are considering possibility, if Sovs continue stall after short but reasonable period, of publishing record of negots in order show in detail efforts by Western states conclude Treaty and successive obstacles raised by Sov Del. Pls discuss with Brit and Fr Deputies possibility action in this regard or other recommendations for appropriate tripartite action. Such pub wld not be designed disrupt negots

[1] Repeated to Paris as 63, Moscow as 15, and Vienna as 27.
[2] Not printed.

but to put Sov attitude in negots in proper perspective and prevent Western states from being blamed for failure obtain conclusion Treaty.

We do not consider Sovs will long continue to delay conclusion Treaty by using easy excuse of unsuccessful negots on Art 48 bis. If they do not desire conclude Treaty at this time, it is likely Zarubin may raise problem of revival Nazism in Aust similar to Sov attacks in recent AC mtgs. Vienna is requested supply London with sufficient info for rebuttal in event this tactic is used. Zarubin may also use extent UN claims in Art 42 [3] as propaganda to hide possible Sov decision not conclude Treaty.

Future instrs on tactics will be determined after ascertaining Zarubin's objectives in opening sessions and on your recommendations based on agreement with Fr and Brit Deputies.

ACHESON

[3] Article 42, United Nations Property in Austria, dealt with the restoration of property, rights, and interests in Austria of United Nations nationals.

663.001/1-950 : Telegram

The United States Delegation for Austria at the Council of Foreign Ministers to the Secretary of State

SECRET

LONDON, January 9, 1950—8 p. m.

123. Delau 384. Austrian deputies 247 meeting.[1] Despite Western deputies' expression of hope that progress could now be made since sufficient additional time had elapsed since adjournment in New York for conclusion of the Vienna talks, Soviet deputy stated Vienna negotiations were still continuing although he admitted some progress had been made in that Austrian authorities had been informed Figl's proposals of December 5 represented advance over earlier Austrian proposals.[2] When western deputies demonstrated considerable impatience that extraneous issue of Vienna talks continues to block treaty progress, Soviet deputy made little or no effort to defend position and stated he could not indicate when talks will be concluded. He cited as complicating factor Austrian counterclaim for amount of civilian occupations costs (paid by Austria in behalf of USSR but not reimbursed from regular occupation schillings made available to USSR).

[1] The United States Delegation minutes of this meeting are in CFM Files, Lot M-88, Box 117, USDel Mins. The CFM Files are a consolidated master collection of the records of conferences of Heads of State, Council of Foreign Ministers and ancillary bodies, North Atlantic Council, other meetings of the Secretary of State with the Foreign Ministers of European powers, and materials on the Austrian and German peace settlements for the years 1943–1955 prepared by the Department of State Records Service Center.

[2] No copy of the proposals under reference has been found in the Department of State files. However, the United States Delegation minutes indicate that, according to Zarubin, they were an advance over the initial Austrian proposal and for that reason more acceptable to the Soviet Government.

Zarubin called attention to unagreed Articles 16, 27, and 35 bis,[3] discussion of which he observed was being deferred. Western deputies repeated previous assurances that Article 35 bis would be withdrawn when other articles are agreed and saw little point in discussing Articles 16 and 27 if progress on all outstanding issues could not be assured and Zarubin did not pursue the question. US deputy observed that, in view relatively small sums involved in Article 48 bis compared to satisfaction given USSR in Article 35, must be other reasons than those involved in Article 48 bis issue which block progress.

In response to specific British queries Soviet deputy stated (1) that while he could discuss Articles 42 and 48, he could not change his previous positions until all questions re Article 48 bis are resolved, (2) that Article 48 bis cannot be resolved in advance conclusion of Vienna talks, and (3) that reply is unnecessary to offensive inquiry as to whether USSR genuinely desires promptly to conclude treaty, adding that "no one has done more for liberation Austria than USSR".

US deputy made formal request of Soviet deputy to obtain his government's response to inquiry how and when Article 48 bis could be settled and suggested, in order to give adequate time for this reply, the next meeting be held January 13. Soviet deputy undertook to refer request but pointed out reply would be difficult as matter of computing claims complicated. Next meeting January 13.

Tripartite meeting this morning with Mallet and Berthelot followed lines of discussion at Foreign Office Saturday, see Delau 383.[4] We meet tomorrow to discuss future procedure and to submit recommendations to our respective governments.[5]

Sent Department 123, repeated Paris 38, Vienna 4; Department pass Moscow 7 from London.

[3] Article 35 bis, Rolling Stock, dealt with the Austrian ownership of railway equipment including rolling stock and locomotives.

[4] Not printed, but see footnote 9, p. 432.

[5] In telegrams 129 and 155 (Delau 385 and 386), January 10 and 11, from London, neither printed, Reber reported another British initiative for a tripartite approach to Moscow, if Zarubin continued his negative attitude toward completion of the treaty, and transmitted the draft of such a communication which recalled past assurances given by the Soviet Deputy and enumerated the new obstacles which he had created. (663.001/1-1050 and 1150)

663.001/1-1050 : Telegram

The Minister in Austria (Erhardt) to the Secretary of State

SECRET VIENNA, January 10, 1950—9 p. m.

36. Legtel 29, January 9.[1] Gruber[2] says that his and Figl's weekend interview with Zheltov[3] was most unpleasant of recent series, in

[1] Not printed.

[2] Dr. Karl Gruber, Austrian Minister for Foreign Affairs.

[3] Col. Gen. Aleksei Sergeyevich Zheltov, Soviet Deputy High Commissioner for Austria.

each of which increasingly unfriendly atmosphere prevailed. Possible resumption of 48 bis negotiations was dismissed by Zheltov with remark he had been too busy to do much about matter, and conversation turned to other subjects which he obviously preferred to discuss.

In telling us of interview, Gruber carefully refrained from drawing conclusion that Soviets do not want treaty, but tenor of his remarks nevertheless indicates he now has scant hope of early agreement. He says dilatory attitude on 48 bis negotiations may be nothing more than attempt influence Austrians to come forward with more favorable offer, but is inclined to connect tougher Soviet attitude in Austria (Legtel 1736 December 19 [4]) with Moscow's harsher tone toward Finland,[5] and says he, therefore, fears renewed Soviet pressure on Austrian people, although he admits he does not yet see either motive or manner of such pressure. He believes recrudescense of lawlessness in Soviet zone, unfriendliness to Austrian officials (Zheltov, he says, was for first time uncivil to Figl) and propaganda blasts in connection AC discussions neo-Nazism and war criminals are intended frighten Austrian populace, and feels is important that Austrian Government refrain from any action which might disturb public opinion and thus assist Soviets toward this objective. For this reason, he hopes London conversations will not completely bog down, and says Austrian Government will for present avoid any public display of impatience regarding delays in negotiations.

Regarding conversation with Zheltov, Gruber believes following may be significant:

1. In reply to Figl's general remarks about new year and peace, Zheltov commented 1950 was "crucial year" (changed by interpreter to "important year") and said recent Cominform actions had ensured year of peace. (Gruber wonders if this meant more militant struggle by Western Communists).
2. Zheltov's renewed insistence on surrender of Gendarme Lechner (Legation's 1735 December 19 [6]). "Have you sold out completely to Americans," he demanded.
3. Zheltov's angry reproaches that Austrian Government was protecting war criminals, and his intimation that Soviets might have to hunt them out themselves.[7]

Sent Department 36; repeated London (for USDel 5, Paris 4. Department pass Moscow 3.

ERHARDT

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[4] Not printed.

[5] For documentation on the Soviet attitude toward Finland, see pp. 574 ff.

[6] Not printed; it reported that the Vienna press had given prominence to the Soviet demand for the surrender of the Security Director of Lower Austria and a gendarme named Lechner who had fled to the American Zone following the death of a Soviet officer. (863.00/12–1949)

[7] In telegram 100, January 19, from Vienna, not printed, Erhardt reported that "Figl and Gruber had another, lengthy, more polite but still unproductive conversation with Zheltov this afternoon." (663.001/1–1950)

663.001/1-1450 : Telegram

The Secretary of State to the Embassy in the Soviet Union [1]

SECRET PRIORITY WASHINGTON, January 14, 1950—2 p. m.

33. For the Amb. Delau 394.[2] In view of Zarubin's tactics at Aust Deputy session Jan 13 we consider tripartite approach shld be made by you and your Fr and Brit colleagues to Vishinsky (urtel 96 Jan 12, Audel 226 [3]). Oral *démarche* and proposed *Aide-Mémoire* shld be designed to obtain assurances as well as appropriate instrs to Zarubin that negots may continue on the Aust Treaty without meeting such obstacles as now raised by Sov Del and that Treaty may be concluded on basis of existing agreements without creation of further obstacles. Stress shld be placed on Vishinsky's commitment in New York [4] that no difficulties wld be encountered in dealing with the other articles if the Sov position on Ger assets settlement were met. You shld remind Vishinsky that agreement on Ger assets settlement was conditional on satisfactory agreement on remaining disputed points in Treaty. Discussion shld be avoided on issues involving specific articles, particularly Arts 16 and 27.

You may use Delau 387,[5] London's 155 [6] and other material forwarded from London as background for your info for oral *démarche* but detailed discussion with Vishinsky shld be avoided. Approach shld revolve about simple question of conclusion Aust Treaty. The content of your approach is left to your discretion in agreement with your Fr and Brit colleagues.

It is recommended, however, that the following considerations be borne in mind as the basis of the approach:

1. No position shld be taken which wld lead to any indication of willingness on our part to concede to the Sov position on Arts 27, in particular, and 16.

2. Approach shld be designed to avoid giving impression that Western states are over eager to conclude Aust Treaty as such impression, in conjunction with factors discussed in recent messages, wld tend deepen Sov suspicions re our objective in concluding Treaty or induce them to believe that we will accept Treaty at any price.

3. Objective of approach shld be to obtain either positive assurances that negots will be continued on previously agreed basis and

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[1] Repeated to London as 177 (Audel 228), Paris as 193, and Vienna as 76.

[2] Not printed; in it the United States Delegation reported that Zarubin "continued to make progress on treaty dependent on Vienna talks re which he had no additional information." (663.001/1-1350)

[3] Neither printed; in the former Kirk expressed his view that an approach to Vyshinsky seemed desirable if Zarubin maintained his negative attitude; while the latter transmitted the Department of State's concurrence in a tripartite oral protest if no conclusive result were reached at the meeting on January 13 (663.001/1-1250).

[4] Regarding Vyshinsky's New York commitment to the Western Foreign Ministers, see *Foreign Relations*, 1949, vol. III, pp. 1146 ff.

[5] Not printed.

[6] Not printed, but see footnote 5, p. 434.

that Russian-Austrian negots will be expedited without creation of further obstacles or flat Sov refusal to continue negots on a reasonable basis.

It is recommended that approach be made as soon as possible in order that appropriate instrs may be dispatched to Deputies before next meeting Jan 20. Pls inform Dept as soon as possible when *démarche* will be made in order that publicity may be released here. We propose for release here simple factual statement to effect that *démarche* has been made and a description of difficulties which have been encountered in negots.

Vienna pls inform Gruber of foregoing message.

ACHESON

663.001/1–1950 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

SECRET NIACT Moscow, January 19, 1950—3 p. m.

186. Mytel 162, January 18.[1] My colleagues and I saw Mr. Gromyko [2] this evening. Conversation lasted 50 minutes, despite repeated offers [*efforts?*] by Gromyko to cut it short. He evidently had instructions not to be drawn into discussion at all but we subjected him to intensive cross-examination and gave him every opportunity to make some constructive offer. At conclusion, in reply to a specific question, he said that, even if we had been able to see Vyshinsky,[3] latter would not have been able to tell us more than he himself had said. I will send a full account of our conversation as soon as possible.[4] Salient points (most of them repeated and emphasized several times) may be summarized as follows:

2. After reading of agreed communication by my French colleague, Gromyko said he would study our memorandum.[5] Meanwhile, Articles 16 and 27 could be dealt with in London.

3. We replied that we were willing to deal with all outstanding articles provided that they were all open for discussion. But discussion of Article 48 (bis) had been withdrawn by Soviet deputy from

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[1] Not printed.

[2] Soviet Deputy Foreign Minister Andrey A. Gromyko.

[3] Initially it had been decided that the Western Ambassadors would seek an interview with Vyshinsky, but when he was reported sick, they agreed to see Gromyko.

[4] Telegram 197, January 19 (6 p. m.), from Moscow, not printed (663.001/1–1950).

[5] The agreed communication under reference here is that referred to in footnote 5, p. 434. The memorandum, transmitted in telegram 156 (Delau 387), January 11, from London, not printed, reviewed the progress of the treaty talks at the end of 1949 and the assurances by the Soviet Government concerning their speedy conclusion. (663.001/1–1150)

scope of discussions in London, and Articles 42 and 48[6] had been linked with it. What assurances could Gromyko give regarding settlement of Article 48 (bis)?

4. Gromyko replied that this question was still under examination and that he could not say anything about it. But he could see no reason why other outstanding articles should not be dealt with. We said that all outstanding articles had already been discussed individually; the question now was to settle them, and this involved discussion of all of them, without making exceptions for articles which according to Soviet Government must await results of separate negotiations in Vienna outside the four-power framework. We repeatedly stressed that discussion of 48 bis could not be excluded from discussion of other outstanding articles.

5. Gromyko said that the Austrian proposals were still under consideration, and that we would certainly be informed when results had been achieved. We asked whether Gromyko could give us any information about the talks in Vienna or indicate a date for their termination and whether Soviet Government really desired to proceed with the negotiations in London. Gromyko replied that he could say nothing about the Vienna discussions, since the Austrian proposals were still under examination; as regards negotiations in London he merely said that Mr. Zarubin was after all still there. Asked if Soviet government would agree to expedite the negotiations in Vienna, Gromyko replied that he could give no assurances until examination of the Austrian proposals had been completed.

6. Although Gromyko was illogical and inconsistent throughout, he made it clear that: (*a*) final settlement must await agreement in Vienna on claims covered in Article 48 (bis); (*b*) he flatly refused any information about progress of Vienna talks; (*c*) he could give no time limit for conclusion of these talks, declined to give any information about their progress and refused to give any assurances that Soviet Government would expedite them; (*d*) meanwhile he considers that Articles 16 and 27 should continue to be negotiated in London.

7. Despite purely negative attitude. Gromyko was not disagreeable.

8. My colleagues are telegraphing identically to London and Paris. British Foreign Office will transmit copy to AuDel and British Legation Vienna to US Legislation. Department please pass to British and French Embassies Washington.

KIRK

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[6] Article 48, Payment of Prewar Austrian Debts.

663.001/1-1950 : Telegram

The United States Deputy for Austria at the Council of Foreign Ministers (Reber) to the Secretary of State

SECRET NIACT LONDON, January 19, 1950—2 p. m.

301. Delau 403. From Reber. Mallet gave Berthelot and myself copies of Kelly's [1] report of last night's conversation with Gromyko, which states that identic telegrams have been sent by Kirk and Chataigneau [2] to Washington and Paris.

We then discussed future action and agreed to recommend to our governments that whatever procedure is adopted, it is essential in some way to keep Austrian treaty negotiations alive. It seems to us there are three possible courses of action:

1. To continue present meetings in London. Gromyko's negative reply gives further evidence of the futility of this course of action. It will accomplish no results, will expose us to continued Soviet countercharges that we refused to discuss articles 16 and 27 and become ridiculous within a short time. This will, however, be procedure advocated by Zarubin.

2. To fix date for resumption of the deputies' meetings at a time which will give Soviets opportunity to finish Vienna negotiations but not be so remote as to discourage public opinion. This course would mark continuity and is what Austrian Government has repeatedly urged. (Buresch [3] again today presented further appeal from Gruber to set an unconditional date for resumption.) On the other hand, if we should meet say on February 15 or March 1 merely to be informed again that the negotiations in Vienna have not been concluded and that therefore article 48 bis cannot be settled, our efforts would appear more futile and result would be more discouraging.

3. To request Soviet Government to inform us in writing by an agreed date say February 15 or March 1, whether Soviet Government would then be in a position to settle all matters connected with article 48 bis and thus enable a prompt meeting to be held. This is suggestion contained in Delau 397.[4] Although at first sight, this procedure might not so clearly mark our intention to resume and therefore be more discouraging to Austria at this time, it nevertheless places responsibility more clearly on Soviets than alternative (2) and avoids another fruitless meeting. If Zarubin accepts this formula he may also ask for assurance regarding discussions of articles 16 and 27 which can be given as soon as obstacle created by article 48 bis is removed. All three of us agreed to submit these alternatives for consideration of our governments but to recommend rejection of course (1). Although both (2) and (3) each have objectionable features, it seems to me that (3) is preferable for reasons set forth above. Mallet, on the other hand, prefers (2) as this gives greater appearance of continuity but

[1] Sir David V. Kelly, British Ambassador in the Soviet Union.
[2] Yves Chataigneau, French Ambassador in the Soviet Union.
[3] Eugen Buresch, First Secretary of the Austrian Legation in the United Kingdom and Liaison between the Austrian Government and the Deputies for Austria at the Council of Foreign Ministers.
[4] Not printed.

would not object to (3). Berthelot insists that, whatever course is followed, point of continuity be emphasized.

Inasmuch as the February meeting may well prove last of current session and as Berthelot and I are not in possession of our government's views, we agreed to postpone tomorrow's meeting until Monday p. m. The explanation to be given to the press is that this delay is occasioned by the necessity for obtaining instructions from our governments in the light of negative Soviet response to Moscow representation. Tripartite meeting will be held tomorrow afternoon to discuss any instructions we may have then received and other treaty questions.[5] I should welcome earliest possible indication of Department's views and further instructions.

Sent Department 301, repeated Paris 89, Moscow 24, Vienna 21.

[REBER]

[5] At the tripartite meeting on January 20, Mallet informed the other two Western Deputies that he could accept either alternative 2 or 3; Reber and Berthelot were without instructions. (Telegram 340 (Delau 405), January 20, from London, 663.001/1-2050)

663.00/1-1950: Telegram

The Secretary of State to the United States Deputy for Austria at the Council of Foreign Ministers (Reber)[1]

SECRET PRIORITY NIACT

WASHINGTON, January 21, 1950—1 p. m.

289. Audel 230. Moscow's 186 and 197 Jan 19.[2] Although Moscow *démarche* may have negative results for this immediate phase negots, we consider it to have served useful purpose in crystallizing public opinion on Aust question. Gen reaction places blame squarely on Sovs for delaying Treaty. *NY Times* editorial highlights contrast Sov attitude with their Peace Campaign, but stresses necessity avoiding any partition Aust.

Our view is that completion Aust Treaty in order secure withdrawal Sov forces shld remain major objective. Consequently no break shld occur in continuity of negots. If it becomes clear Treaty cannot be concluded, we shall consider possible alternative courses of action to supplement our aims in Aust pending opportunity reach final settlement. Announcement these steps will depend on clarification Sov position and developments in Aust in following months.

In view these considerations Dept hesitates to endorse your third proposal in Delau 403, Jan 19. Adjourning discussions without a fixed

[1] Repeated to Moscow as 58, Paris as 277, and Vienna as 114.
[2] Not printed, but see footnote 4, p. 437.

date for resumption might leave us in less favorable position than we are at present in negots by providing Sovs opportunity to insist on further concessions on Arts 16 and 27 as price for conclusion of Treaty. It is therefore recommended that alternative two be accepted and that negots be resumed after appropriate interval at fixed date on same basis as they now proceed. Such proposal for adjournment to any date not later than Feb 15 shld be accepted with a statement that interlude will provide Sovs time to conclude Vienna negots and to proceed on previously agreed basis. All possible use shld be made of Gromyko's statements in this regard. No intimation shld be given at Tues mtg that our action constitutes in any way a break in negots, and maximum onus for necessity of delay shld be placed on Sovs.

If at any time while impasse over 48 bis continues Zarubin raises Arts 16 or 27 you shld agree discuss them but limit your discussion to making clear that our position on them stands and that we are unwilling to consider further concessions in view of previous Sov assurances that no difficulties wld be encountered on other arts if their position was met on German assets. This is a negotiating position on which we might reconsider our stand on Arts 16 and 27 in event agreement reached on econ arts. Naturally no hint of this shld be given in present phase. We assume Brit and Fr wld be prepared take similar firm position.[3]

Besides consideration further action that may be taken in event no further progress with Treaty, we are preparing record of negots, Audel 225, and will inform you when ready for publication.

If no further mtgs are held until Feb 15 subsequent instrs will be sent re Del.

ACHESON

[3] In telegram 107, January 20, not printed, Legation Vienna expressed its opinion that the first alternative was the best since it maintained the pressure on the Soviet Union better than the other two choices (663.001/1–2050). This view was supported by Embassy Moscow in telegram 210, January 21, not printed (663.001/1–2150).

663.001/1–2450 : Telegram

The United States Delegation for Austria at the Council of Foreign Ministers to the Secretary of State

CONFIDENTIAL LONDON, January 24, 1950—2 p. m.

388. Delau 410. British Deputy as chairman opened 249th meeting Austrian deputies by inquiring what should be deputies future course of work in view negative Soviet reply given by Gromyko to Western *démarche* of January 18.[1] Soviet deputy merely replied that he had

[1] The United States Delegation minutes of the 249th meeting are in CFM Files, Lot M–88, Box 117, USDel Mins.

nothing to add re Article 48 bis to what Gromyko had stated to three ambassadors and to Austrian political representative and proposed that deputies continue discussion of Articles 16, 27, and 35 bis which he maintained were open to consideration because they were not related to Vienna talks.

Western deputies took Soviets to task for blocking conclusion of treaty by making its conclusion dependent on Article 48 bis and by making Article 48 bis dependent on Vienna negotiations which were beyond jurisdiction of deputies. Western deputies reported their readiness to deal with all outstanding issues when Soviets indicate readiness to do likewise.

British deputy stated readiness, however, to hear any new proposals Soviets might have re Articles 16 and 27. Soviet deputy replied that he had no other proposal re deputies future work and that Soviet positions on Article 16 and other articles were already well known by all, and cursorily denied Soviet responsibility for blocking treaty conclusion by again observing that Articles 16 and 27 unrelated to Article 48 bis and that Western support of Article 35 bis constitutes an effort as regards war booty to revise Paris CFM agreement.[2]

Soviet deputy immediately accepted British suggestion to meet next on February 15 or sooner if Soviet deputy indicates status of Vienna talks so permits. US deputy accepted adjournment stating it would give ample time—if in fact any time is needed—for conclusion of talks so that all other issues can be settled on basis of previous Soviet assurances. French deputy concurred.

Sent Department 388, repeated Paris 116, Moscow 131, Vienna 27.

[2] For the text of the communiqué of the sixth session of the Council of Foreign Ministers, dated June 20, 1949, see *Foreign Relations*, 1949, vol. III, p. 1062.

663.001/1–3050 : Telegram

The Secretary of State to the Embassy in the United Kingdom

TOP SECRET WASHINGTON, January 30, 1950—7 p. m.

432. Eyes only for Holmes. We have strong reason believe Gromyko has in fact told Bischoff[1] Soviet consent to concluding Austrian treaty dependent upon acceptance by Austria of bilateral deal similar in nature to proposals made in previous years to Hungary, Rumania, etc., aimed at complete domination Austrian economy.[2] We

[1] Norbert Bischoff, Austrian Political Representative in the Soviet Union.

[2] While there had been press reports of a Soviet-Austrian deal, the first allegations of a possible bilateral treaty had come from Herbert Kraus, leader of the Austrian Union of Independents, and from military sources in Vienna. According to these sources, by the terms of the alleged treaty the Soviet Union would secure control of Austrian industrial enterprises and oil rights in all of Austria. Further, the Soviet Union would have the right to equip a future

are naturally concerned at Austrians holding out this info from Western Govts. Brit and Fr Foreign Offices shld be advised of these developments using greatest care to protect source. Gen outline of Gromyko proposal shld however be communicated to them to indicate far-reaching nature of demands and their similarity to earlier demands on satellites.

Bohlen [3] has been fully briefed here, is returning to Paris Jan 31 to brief Bruce.[4] We think it important Bruce query Gruber directly on this matter while latter is in Paris and he will do so after Bohlen's anticipated arrival Feb. 1. If Brit have any comments or suggestions they may be made through Harvey.[5] Bruce shld see Schuman along same lines.

Sent London as 432; rptd Paris eyes only for Ambassador as 404.

ACHESON

Austrian Army. If these alleged demands were not accepted the Soviet Union "would be forced to consolidate their zone, as in Germany." Telegrams MAV 1563, MAV 1585, and 139, January 20, 29, and 26, from Vienna, none printed. (663.001/2650 and Vienna Post Files, Lot 55 F 125, Box 137, 320.1 Austrian Treaty)

[3] Charles E. Bohlen, United States Minister at Paris.

[4] David K. E. Bruce, United States Ambassador in France.

[5] Sir Oliver C. Harvey, British Ambassador in France.

663.001/2–150 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

TOP SECRET PARIS, February 1, 1950—8 p. m.

500. Eyes only for the Secretary from the Ambassador and Bohlen. We had lunch alone with Gruber today and took up with him the points outlined in Department's 403 of January 30.[1]

After considerable preliminary conversation on the status of the treaty negotiations in London and his estimate of the Soviet intentions in this respect which will be discussed in subsequent part of this cable, we told Gruber that there was concern in Washington at the persistent rumors from a variety of sources and places that the Soviet Government had made an approach to the Austrian Government for bilateral negotiations on some of the principal points in the Austrian treaty; that these reports had been so persistent that we wished to take advantage of this luncheon in order to ask him if he could tell us frankly whether there was any foundation whatsoever to these reports. Gruber

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[1] Not printed; in it Bruce was instructed that he and Bohlen should see Gruber and raise the question of the bilateral talks with the Soviet Union concerning Article 48 bis. If Gruber admitted that Austria had been approached by the Soviet Union, then "further discussion shld be based on extent his revelation these proposals." If he denied such reports, Bohlen and Bruce were to inform him that they hoped this would continue to be the case since "any negotiation to that end would be regarded as extremely serious by US." (663.001/1–3050)

categorically and repeatedly denied that there had been any Soviet approach. He stated that he had so informed Erhardt last Sunday [2] and had shown him in confirmation thereof the text of Bischoff's reports to the Austrian Foreign Office on any conversations which he had recently held with Soviet officials. He implied that Erhardt had been convinced by these cables that there was nothing in these reports. He said not only was there no truth in these reports, but should in the future the Russians attempt any such maneuver he would immediately consult with the three Western Powers and repeatedly stated that the Austrian Government could not contemplate any arrangement with the Soviet Government which did not have the full approval of the Department of State.

In order to probe further we asked Gruber if we had his authorization to report his statements to Washington as official to which he replied that we had his full authorization to inform the American Government that there had been no Soviet approach whatsoever for any bilateral negotiations and that the only subject under discussion with the Russians concerned 48 bis of the draft treaty which the Austrian Government had been urged by the Department of State to undertake bilaterally with the Soviet Government.

We told Gruber that we would indeed report his categoric assurances to the US Government and emphasized to him that not only would any side agreement on any phase of the draft treaty apart from 48 bis in our view gravely imperil the prospects of the maintenance of Austrian independence but that should at any time in the future the mere fact of negotiations to that end become apparent the effect in the US would be very damaging to Austrian interests. We told him that we thought some such Russian approach would be entirely consistent with present phase of Soviet diplomacy but that should it ever become known that Austria was disposed to enter into such discussions with the Russians, no matter with what purpose, the effect on the Administration and Congress of the US would be instantaneous and extremely adverse to the continuance of our present policy of assistance and protection to Austria.

Gruber developed at great length why in his opinion and that of the Austrian Government any such arrangements would be diametrically opposed to Austrian interests but added that he did not agree that any offer was likely to be forthcoming from the Soviet Government since in his view their tactics were always to ascertain first what the other fellow would offer before making any offers of their own. He characterized the source of the rumors of the Soviet approach as an invention of a "left wing American journalist" in Vienna and

[2] In telegram 165, January 31, from Vienna, not printed, Erhardt had reported that Gruber had discounted even the possibility of such a proposal by the Soviet Union. (663.001/1–3150)

stated again that they were completely devoid of any foundation.

We of course were unable to go behind his categoric statements due to the necessity of protecting the source and confined ourselves to the reference to the persistence of these reports and their plausibility in the light of probable Soviet moves in the Austrian situation.

Gruber was strongly of the opinion that the Soviets were preparing some move in Europe and did not exclude the possibility of a military move since he said that since September the Soviet occupying forces had given every indication of their intention to stay on in Austria and had manifested an increased interest in matters of military installations, communications, etc. in eastern Austria. He felt Zarubin was under instructions to string the Austrian treaty on to some definite date in the fairly near future although he was unable to offer any evidence as to what particular date. He repeated the view which is well known to the Department that the Western Powers should by their action divest themselves of any suspicion that they were blocking the treaty and maneuver in the negotiations to place the blame squarely on the Soviet Union. He seemed therefore disposed to suggest that the Western Powers leave to bilateral negotiations Article 48 bis and 42 as stated in his memorandum to Schuman of January 24.[3] He felt that the weakest point from the publicity point of view in Austria of the Western position was the insistence upon the UN and prewar debts which he said amounted to 500 million Austrian schillings on paper as against the Soviet claim in 48 bis for only 400 million. He said that one point upon which the West should not agree was the prohibition on military specialists to help train the Austrian Army.

We developed to the full with him the arguments against that action of progressive concessions when there seemed to be a common opinion that the Soviets do not at this time wish to conclude an acceptable Four-Power treaty which would leave Austria free and independent pointing out that the end result of any such course of action might logically be an Austrian settlement which would leave Austria helpless before subsequent Russian pressures.

Gruber was left in no doubt that the US Government would take a very serious view of any attempt to deal bilaterally with the Soviets on treaty or other issues affecting the future of Austria. It may therefore be that this conversation will cause him to consider very carefully what reply he should make to the Soviet approach. It may be that having committed himself to a flat denial in his conversation

[3] A summary of the *aide-mémoire* which Gruber left with Schuman on January 24 was transmitted in telegram 487 (Delau 416), January 27, from London, not printed (663.001/1–2750) and a full translation of it was sent as an enclosure to an unnumbered despatch from the United States Delegation for Austria on the same day (663.001/1–2750).

last Sunday with Erhardt that he felt it impossible to recede from that position. In any event, if further checking confirms our belief that the reports concerning the Soviet approach are authentic, we are obviously faced with a very serious problem in our dealings with Gruber.

In the absence of Schuman, Parodi [4] has been informed in general terms set forth in Department's 404, January 30,[5] and of our intention to sound out Gruber and they as well as the British are apparently in accord with this attempt. Since they have asked that we let them know of Gruber's response, at present time we merely intend to report Gruber's categoric denial and our doubts without going further into the reasons for our belief in the accuracy of these reports.

The Department might wish to consider whether we should not inform the British and French without of course revealing the source why we believe these reports to be accurate since otherwise they may be inclined to accept at face value Gruber's statements. We will of course take no further action with either the French or British here unless so instructed by the Department.

Sent Department 500, repeated London 164, Vienna 16; Department pass Moscow 33. Eyes only for the Ambassadors London, Vienna, Moscow.

BRUCE

[4] Alexandre Parodi, Secretary General of the Ministry of Foreign Affairs.
[5] Same as telegram 432, *supra*.

663.001/2-250 : Telegram

The Ambassador in France (Bruce) to the Secretary of State [1]

TOP SECRET PARIS, February 2, 1950—4 p. m.

511. Eyes only from Bohlen for Perkins.[2] In view of our discussion in Washington on this subject I am giving you our personal impression of our talk with Gruber. His attitude and statements are extremely difficult to explain and had I not personally seen the evidence supporting the authenticity of the reports of the Soviet approach, it would have been very hard not to have accepted at face value his emphatic and categorical denials. What was extraordinary in Gruber's remarks was less his flat denial, for which there might be a number of explanations and which had been somewhat anticipated, but more the extent and detail to which he went to buttress up his denials by setting forth

[1] Secretary Acheson left a copy of this telegram with President Truman during the afternoon of February 2. Memorandum of conversation with President Truman, February 2, not printed (663.001/2-250).
[2] George W. Perkins, Assistant Secretary of State for European Affairs.

at length many of the consequences which we had intended to impress on him of any such course of action on the part of the Austrian Govt. For example, he not only spelled out the suicidal consequences for Austrian independence which would result from any attempt to play a lone game with the Soviet Union including the certainty that he personally probably would be liquidated at the end of any such road, but he also stated without any prompting from us the inevitable consequences on Austria's relations with the Western Powers and particularly the US in the sense of cessation of assistance and protection. He made as convincing a case against entering into any side talk with the Russians as we did in our discussions in the Dept on this subject.

The only weak points in his presentation were his insistence that it was highly unlikely in the light of past Soviet practices that any such offer would be made and also his statement that all the rumors and reports had originated from a left-wing journalist in Vienna. The conversation throughout was extremely amicable in character and Gruber displayed no evidence of confusion or embarrassment. He will undoubtedly, however, think over very carefully this conversation since he could not have avoided the impression that we were not speaking merely from gossip and newspaper rumors although at no time did we give any indication of source or of knowledge of the nature of the Russian approach.

The most optimistic explanation of Gruber's attitude which is of course purely speculation is that following his talk with Erhardt and further thought re the consequences he has decided not to pursue the matter with the Soviet Govt any further. He may therefore attempt to bury and forget the entire incident while maintaining for the record his official denial that it ever occurred. He may of course intend the opposite course of continuing to explore this approach with the Soviet Govt while keeping it secret from the west, but after our conversation of yesterday the risk of this becoming known and the consequences which he seemed to understand so clearly, would appear to render such a course suicidal indeed.

As we have already cabled, we intend to take no further action here in Paris with British and French but I believe, if evidence comes to hand that Gruber is in fact attempting to pursue the Soviet approach, we will at some point have to inform them of this fact and concert our three policies in the light of any such development.[3] [Bohlen.]

BRUCE

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[3] In telegram 207, February 7, from Vienna, not printed, Erhardt reported a conversation with Gruber in which the Austrian Foreign Minister reiterated "his denial that any Soviet offer had been made." Erhardt stated that no further information had become available to confirm or deny the reports. (663.001/2–750)

663.001/1-2750 : Telegram

The Secretary of State to the Embassy in Paris [1]

SECRET WASHINGTON, February 13, 1950—6 p. m.

600. Fol is text Gruber's ltr dtd Feb 6 on report of bilateral negots: [2]

"As is known, systematic rumors have been circulated, according to which Aust Govt, apart from its contact concerning the subject matter of Art 48 bis of the draft of the State Treaty is alleged to have entered into bilateral negots with Sov Union also in regard to other matters concerning the State Treaty. Since these rumors have apparently had a wide coverage, I am prompted to make the following statements.

First of all, I shld like to be permitted to state categorically that the rumors according to which there have been or are now bilateral negots between Aust and Sov Union without prior notification to Western powers, other than matters concerning Art 48 bis have no basis in fact. Nor was any initiative along such lines taken by Sov side.

Such rumors are apparently being launched by journalistic or other circles which appear to have as their motive not only a disturbance of public opinion, but also creation of dissonance between Aust and Western powers. Aust Govt has left nothing undone in order to refute such incorrect allegations.

In any event, I shld like again to state in name Federal Govt that Aust Govt regards as fundamental to its foreign policy that all essential questions and all decisive steps to be undertaken in Aust's relations with Sov Union shall be brought to attention of Govts of Western powers in advance and that such steps shall always be in accord with Aust's entire policy of protecting Aust from every kind of infiltration from a 'people's' democracy." [3]

Gruber's second communication on Treaty tactics [4] is comparable to *Aide-Mémoire* to Schuman (Delau 416 Jan 27 [5]), contents will be transmitted if copy not available in London and Paris.[6]

ACHESON

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[1] Repeated to London as 677, Moscow as 126, and Vienna as 248.

[2] Identical letters were sent to Acheson, Bevin, and Schuman. (Memorandum from Lleyellyn E. Thompson, Jr., Deputy Assistant Secretary of State for European Affairs, to Secretary Acheson, February 20, not printed, 663.001/2-2050.)

[3] On February 13 Under Secretary Webb presented a copy of this letter to President Truman who "read it with considerable interest." Webb told the President that the Department of State's view "was that this tended to confirm a suspicion that the Soviets had engaged in a deliberate 'plant' and that the Foreign Minister could not expect to get away with such a flat denial if he were involved." Memorandum by Webb, February 15, not printed (663.001/2-1550).

[4] Not printed.

[5] Not printed, but see footnote 3, p. 445.

[6] Translations of both letters, to which are attached the original German texts as delivered to the Department of State, bear the handwritten interpolations "The Sec[retary] has seen. L[ucius] D. B[attle]."

663.001/3–150 : Telegram

The United States Delegation for Austria at the Council of Foreign Ministers to the Secretary of State

SECRET PRIORITY LONDON, March 1, 1950—5 p. m.

1157. Delau 438. At 251st meeting Austrian Deputies,[1] US Deputy asked Soviet Deputy whether solution of Article 48 bis now possible and whether Articles 27, 42 and 48 could now be resolved on basis past Soviet assurances, and recalled assurances previously given by Western Deputies that they would be prepared discuss Article 16 when conclusion of entire treaty possible.

Soviet Deputy noted that US Deputy in recapitulating unagreed articles had failed mention Article 35 bis, stated he had nothing new to say regarding Article 48 bis, repeated "it would be difficult for Soviet Delegation to change its position" on Articles 42 and 48 until "the questions regarding Article 48 bis have been settled", and repeated his previous procedural proposal that Deputies discuss Articles 16, 27, and 35 bis.

Western Deputies recalled previous assurances they would delete Article 35 bis as soon as all economic articles were agreed in order show this article constitutes no obstacle conclusion of treaty, but in view Soviet preoccupation with Western position and as further evidence of their desire to make progress Western Deputies agreed to immediate and unconditional withdrawal of article.

Remainder discussion of unagreed articles repeated pattern of recent meeting. Soviet Deputy endeavored show treaty held up not only by Soviet position on Articles 48 bis, 42 and 48 but also by Western Deputies refusal discuss Article 16 and 27 which he held to be unrelated to Article 48 bis. US and British Deputies argued Soviet position on Articles 42 and 48 as well as on 27 removed these provisions from possibility of useful discussion until Article 48 bis settled and that they were prepared to discuss Article 16 as part of a complete settlement of all unagreed provisions. French Deputy repeated previous view that it would be useless discuss Articles 16 and 27 until Soviet Deputy prepared discuss all unagreed provisions and thereby make possible conclusion of treaty.

US Deputy proposed Soviet Deputy and Austrian Government be requested submit at next meeting reports regarding status of Vienna talks if these not concluded by that time. French and British Deputies agreed. Soviet Deputy also needed consult Austrians and stated he would be prepared at next meeting as at present meeting to indicate

[1] At the 250th meeting of the Deputies on February 15, Zarubin had stated that he had nothing new to report on the progress of the Vienna talks. Telegram 890 (Delau 431), February 15, from London, not printed (663.001/2–1550). The United States Delegation minutes of this meeting are in CFM Files, Lot M–88, Box 117, USDel Mins.

status of talks but that he could give no assurance when they would be concluded. Soviet Deputy maintained Soviet experts are still examining Austrian proposals of December 5.

Since Soviet Deputy insisted experts' task was complicated and required time, Western Deputies suggested next meeting be held April 26 as this should give experts ample time to finish work, which in their opinion has already been unduly delayed. Western Deputies also agreed meeting could be held earlier if Vienna negotiations concluded prior to that time. British Deputy proposed useful work could be done in interval on drafting already agreed articles. Soviet Deputy rejected British proposal, and first expressed readiness to meet any time but then said because date of April 26 would mean two-month recess he could "give only conditional consent" and would have to consult his government, his reply to be made as soon as possible through Secretary General.

Sent Department 1157; repeated Vienna 61, Paris 324, Moscow 74.

663.001/4-650

Memorandum by the British Secretary of State for Foreign Affairs (Bevin)[1]

SECRET [WASHINGTON, April 6, 1950.]

1. As Mr. Acheson will recall from the discussions I had with him and Monsieur Schuman in New York last autumn,[2] I have for some time been concerned at what may happen in Austria if there is no Treaty. It was for that reason that I pressed Mr. Acheson and Monsieur Schuman last autumn to agree to make such concessions in the Treaty negotiations as might be hoped to secure agreement with the Russians.

2. Six months have now elapsed, and I am just as much convinced of the desirability of getting the Soviet out of Austria in the interest both of European pacification and of the maintenance of Austria's will and capacity to survive as an independent State. I think that both Mr. Acheson and Monsieur Schuman are in agreement with me on this, and on the desirability of completing the Treaty as soon as possible. Unfortunately the Russians do not appear to be willing to conclude the Treaty at present. The result is that the efforts we made last year to reach agreement have so far proved vain.

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[1] The source text was an attachment to a memorandum of conversation between Thompson and Bernard A. B. Burrows, Counselor of the British Embassy, dated April 6, not printed (663.001/4-650).

[2] Regarding the Western Foreign Ministers discussion of the Austrian Treaty at New York during the autumn of 1949, see *Foreign Relations*, 1949, vol. III, pp. 1146 ff.

3. Five articles remain outstanding—16, 27, 42, 48 and 48–bis. The Soviet Deputy has repeatedly said that he cannot change his position on articles 42 and 48 until the questions falling under 48–bis have been settled. Those questions were referred for study to the Soviet experts last October, and the Soviet authorities are making no attempt to settle them. So long as this remains the Soviet attitude there can be no settlement of Articles 42 and 48 on the basis of the Western texts. Moreover it is now by no means to be assumed that the Soviet would settle 42 and 48 on our terms even when 48–bis is out of the way. The Soviet attitude in regard to Articles 16 and 27 is less clear. Last November Zarubin indicated that the Soviet might give way on Article 27 if they got satisfaction on 16 and 48–bis as well as 35. Since then the Soviet position seems to have hardened, and there is no certainty that our acceptance of their article 16(5) would lead to withdrawal of their objectionable clause in Article 27.

4. His Majesty's Government's position in regard to these four articles is as follows. We consider that the effect of accepting the Soviet 16(5) is less serious than has been suggested. We are prepared to agree to it. While we do not like the Soviet addition to Article 27 we would in the last resort be prepared to accept it as part of a final settlement. I cannot feel that the Russian addition to Article 27 is of intrinsic importance in regard to Austria's future ability to protect herself within the Treaty limits. Austria can only be made able to protect herself against a putsch and local disorders, and not against invasion, and for this the assistance of foreign technicians in her aviation etc. is not indispensable. In any case Article 27 will not prevent Austria from sending her technicians to study abroad. On articles 42 and 48 we are examining whether agreements could be reached with the Austrian Government outside the Treaty which would make it possible for us, if necessary, to accept the Soviet texts. I am hopeful that it will prove possible to make such agreements.

5. As I understand it, the attitude of the United States and the French Governments has hitherto been that, subject to satisfactory arrangements proving possible outside the Treaty for articles 42 and 48, they would be prepared to accept the Russian texts for the four articles if this was necessary in order to get agreement, and if such acceptance would in fact secure agreement on the whole Treaty text. (I appreciate that the United States Government are not themselves interested in Article 48 in which for us substantial sums are involved.) I understand this point of view and have not hitherto wished to press the United States and French Governments to make further concessions on the Treaty if these were unlikely to lead to agreement on the whole text. In the last three months I have, however, received repeated and strong representations from the Austrian Government to get these four articles settled, even though this would not lead to

full agreement. I have been bound to give consideration to these representations. The Austrians arguments are as follows:—

(1) If the Russians were to decide to settle questions under Article 48-bis, the responsibility for holding up the Treaty would be thrown on the Western Powers if they were then unable to accept the Soviet texts of 42 and 48. The Western Powers could be made to appear as blocking the Treaty for the sake of their restitution and financial claims on Austria.

(2) So long as the Western Powers insist on including clauses in the Treaty for the restoration of their property and for the payment of pre-Anschluss loans, the Soviet are able to pose as protecting Austria from Western claims.

(3) If there is to be no early Treaty Austrian morale must be fortified, and the best way for the Western Powers to do this is by making progress with the Treaty, by settling these four articles and so giving evidence of their determination to do everything that lies in their power to complete the Treaty.

(4) If these four articles could be settled it would be clear to the whole world, as it is not at present, that it is the Soviet alone who are holding up the Treaty.

6. I am impressed by these arguments and in particular by the argument about the effect on Austrian morale and by the awkwardness of the situation which would arise if the Soviet were to settle 48-bis while we were unready to settle 42 and 48. I agree that there is no certainty that the settlement of these four articles would lead to the completion of the Treaty, but their settlement would undoubtedly put the Russians on the spot, and it is at least conceivable that the Soviet Government might then be led to complete the Treaty, relying on delays in signature and ratification if they wished further to delay its early implementation. (In this connexion it may perhaps be significant that M. Gromyko recently informed the Austrian representative in Moscow that article 48-bis was quite unimportant in comparison with the issues involved in the other four outstanding articles and that while he could foresee no solution of article 48-bis so long as the deputies made no progress on the latter he anticipated no difficulty on it once the other four articles had been settled.) I recognise the importance of ensuring that outside arrangements can be made with the Austrians which will satisfactorily protect our claims and those of other United Nations nations for the restoration of their property and the payment of pre-Anschluss loans. It is perhaps arguable that the Soviet would make these outside arrangements an excuse for delaying the conclusion of the Treaty, but I feel that it would be difficult for them to hold up the Treaty just because the Austrian Government chose voluntarily to meet United Nations claims which they are already in principle prepared to settle. Such a course would make Soviet obstruction too obvious.

7. I am therefore myself in favour of getting these four articles settled if we can, and my hope is that at our May meeting [3] we shall be able to make progress on some of these matters which, like the Austrian Treaty negotiations, impede our plans for building up our position and for the consolidation of Western Europe. But I recognise the difficulties which some of these four articles represent for American and French opinion, and I do not want now to ask Mr. Acheson to make concessions which might cause difficulties for him with Congress. I would, however, ask him to reflect on this Austrian problem in the light of the considerations which I have mentioned above, in the hope that between now and May he may be able to make it possible for us to make progress with the Austrian Treaty at our meeting.

[3] Documentation on the London Foreign Ministers meeting, May 11–13, is in vol. III, pp. 828 ff.

663.001/4-2450

The Secretary of State to the British Ambassador (Franks)

SECRET [WASHINGTON,] April 24, 1950.

MY DEAR MR. AMBASSADOR: I have received Mr. Bevin's memorandum which was left with Mr. Thompson on April 6, 1950. I fully share Mr. Bevin's concern about the Austrian situation and his conviction of the desirability of obtaining a Soviet withdrawal from Austria in the interest both of European pacification and of the maintenance of Austria's will and capacity to survive as an independent state. In order to break the current deadlock in the Treaty negotiations, I have requested the United States Deputy to discuss our negotiating tactics with his British and French colleagues in the light of Mr. Bevin's suggestions for the settlement of the remaining unagreed articles. I hope that a tripartite position can be adopted which will permit conclusion of the Treaty on the lines which I discussed with Mr. Bevin and Mr. Schuman last September.

The United States Deputy will suggest that an effort be made to resolve the disagreement on the economic articles by a proposal involving Article 42 on United Nations' property, Article 48 on Austria's pre-war indebtedness. and Article 48 bis on claims against Austria. In the event Mr. Bevin can accept the Soviet addition to Article 48, I should be prepared to accept the Soviet drafts for the various paragraphs of Article 42, since clarification has been received from the Austrian Government on their intent. Such an offer could be made to the Soviet Deputy as a *quid pro quo* for the satisfactory conclusion of the negotiations involving Article 48 bis. I believe that an effort of this type could break the current deadlock if the Soviet Government desired to conclude the Treaty. At least it would destroy the

Communist propaganda position that the Soviet Union is protecting Austria against unlimited claims by the Western Powers.

I do not believe that we should concede to the Soviets any single unagreed article without concession on their part, or that we should press Article 16 on Displaced Persons or Article 27 on Foreign Technicians at this time. Our effort should be to test the Soviet intention to conclude the Treaty by concentrating on the immediate problem of the economic articles which block the negotiations. While I should be prepared to accept paragraph 5 of Article 16 to obtain conclusion of the Treaty, I consider that we should first concert our efforts to secure the removal from Austria of persons affected by its provisions. Furthermore, I believe that we should make full negotiating use of the repeated Soviet assurances that Article 27 will present no difficulties if the other articles are agreed.[1]

A more detailed reply to Mr. Bevin's suggestions can be made after the meeting of the Deputies on April 26. I hope that we can discuss this question in the light of the results of the Deputies meeting and agree on a plan which will obtain early conclusion of the Austrian Treaty.

Sincerely yours, DEAN ACHESON

[1] Detailed instructions along these lines had been sent to Reber on April 19, and Dr. Ludwig Kleinwaechter, Austrian Minister in the United States, had been informed on April 21 that this was the position which the United States Deputy would take at the 252d meeting on April 26. (Telegram 1765 (Audel 248), April 19, to London, and memorandum of conversation between Kleinwaechter and Francis T. Williamson, Chief of the Division of Austrian Affairs, April 21, 663.001/4–1950 and 2150)

663.001/4–2650 : Telegram

The United States Deputy for Austria at the Council of Foreign Ministers (Reber) to the Secretary of State

SECRET PRIORITY LONDON, April 26, 1950—8 p. m.

2286. Delau 451. From Reber. At 252nd meeting AusDeps French Dep as chairman asked SovDep for information concerning status of Article 48 [bis] negotiations.[1] SovDep immediately launched on basis of prepared statement into long series of accusation against Austria for violation of Allied council decisions on denazification and demilitarization citing names and instances (full summary of which will be cabled as soon as records available[2]). This statement was utilized as basis for proposing an amendment to agreed text of Article 9 (text

[1] The United States Delegation minutes of this meeting are in CFM Files, Lot M–88, Box 117, USDel Mins.

[2] Transmitted in telegram 2297 (Delau 453), April 27, from London, not printed (663.001/4–2750).

to be cabled upon receipt of official translation [3]). US Dept characterized Soviet charges as unfounded since Allied Commission had not found Austria guilty of these Soviet charges previously presented adding that amendment of agreed article was apparently presented as pretext further to delay conclusion of treaty. He reserved right to submit US reply in detail, either at subsequent meeting or before Allied Council, which is appropriate tribunal. French and British similarly reserved rights to reply later and criticized reopening agreed article.

Zarubin made every effort to avoid mention of Article 48-bis refusing to reply to numerous direct questions regarding progress made toward settlement. WestDeps made definite proposal to settle the four outstanding articles provided assurances could be given that 48-bis would likewise be settled and renewed offer to accept Soviet text of latter. Zarubin consistently refused to give any assurances repeating continually his suggestion was to start discussions with Article 16. WestDeps stated Soviet position constituted refusal to agree to any settlement.

After long exchange of this nature Soviet proposed adjournment until tomorrow to begin discussion Article 16. WestDeps agreed provided this would mean Soviets prepared to settle all issues. Upon Soviet refusal to give any such assurance British suggested adjournment until May 22 which was agreed subject to Zarubin's confirmation after consultation with his government.[4]

Sent Department 2286; repeated Paris 656, Vienna 93, Moscow 127.

[Reber]

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[3] The Soviet amendment, circulated as CFM/D/L/50/A/104, reads:

"Austria undertakes to dissolve all Fascist type organizations existing on its territory: Political, Military, pro-military as well as other organizations which carry on activity hostile to any united nation or which intend to deprive the people of their democratic rights.

Austria undertakes not to let, under threat of penal punishment which shall be immediately determined in accordance with order established by Austrial laws, the existence and the activity on Austrian territory of the above-mentioned organizations." (Telegram 2291 (Delau 452), April 27, from London, not printed, 663.001/4–2750).

[4] On April 27 the Western Deputies met and agreed that the proper place to answer Zarubin's charges was in the Allied Commission in Vienna rather than in the next Deputies session. On the following day Zarubin asked Mallet, the next Chairman, whether he would call a meeting on that day or the following one. Since Reber had left London for Rome, the 253d meeting was scheduled for May 4. (Telegrams 2303, 2330, and 2374 (Delau 454–456), April 27 and 28 and May 2, 663.001/4–2750, 2850 and 5–250.)

663.001/5-450 : Telegram

The United States Deputy for Austria at the Council of Foreign Ministers (Reber) to the Secretary of State

SECRET LONDON, May 4, 1950—7 p. m.

2440. Delau 457. From Reber. 253rd meeting Austrian deputies convened today under British chairmanship.[1] Soviet deputy called attention to length of adjournment proposed by Western deputies in 252nd meeting implied that earlier meeting requested by him for purpose continuation work, stated that interval should have given sufficient time for other delegates consider Soviet amendment Article 9, discussion of which he requested at this meeting. US deputy, supported by British and French, pointed out that this not forum for discussion unsubstantiated charges regarding alleged Austrian failure demilitarize, denazify, that proper body to investigate such charges was AC Vienna, that AC did not find substance these charges, that therefore no facts before deputies to justify reopening agreed article, that it obvious that Soviet proposal for amendment mere pretext for delay.

Soviet deputy accusing Western deputies being responsible for delay launched into long, irrelevant, and obviously propagandistic particularized statement paraphrasing recent Soviet note charging US, UK, French violations Italian treaty with respect Trieste.[2] Connection of speech to proposed amendment Article 9 tenuous to point of invisibility. Western deputies characterizing speech as improper, propagandistic, and frivolous, insisted that purpose thereof to becloud issue and afford ground further delay, stated their readiness and willingness proceed with settlement on all agreed articles, including 48 bis.

Soviet deputy, who significantly never mentioned Article 48 bis, proposed discussion beginning with Article 16. US deputy pointed out function of deputies not to discuss, but to settle, proposed immediate agreement 48 bis on Soviet terms, as proof of willingness to agree, reiterated readiness discuss all articles provided assurance given that all articles would be settled, that this assurance has been consistently sought by Western deputies and consistently rejected by Soviets. Soviet deputy insisted each article had its own peculiarities and should be discussed seriatim. He categorically refused to give any assurance of any kind. British deputy pointed out uselessness of con-

[1] The United States Delegation minutes of this meeting are in CFM Files, Lot M-88, Box 117, USDel Mins.

[2] For the text of an extract from the Soviet note on the Free Territory of Trieste, handed to the Ambassadors of the United States, United Kingdom, and France on April 20, and the full text of the United States reply of June 16, see Margaret Carlyle, ed., *Documents on International Affairs, 1949–1950* (London, Oxford University Press, 1953), pp. 515 ff.

tinuing discussion unless such discussion would lead to settlement, and useless discuss separate articles unless assurance that process would lead to agreement on all articles.

Deputies adjourned to May 22. Soviets agreed to date but refused responsibility for length of adjournment.

Sent Department 2440, repeated Paris 739, Vienna 102, Moscow 132.

[Reber]

663.001/5-850 : Telegram

The United States Delegation for Austria at the Council of Foreign Ministers to the Secretary of State

SECRET London, May 8, 1950—4 p. m.

2498. Delau 460. Western deputies today concluded report [1] on Austrian Treaty problems for Ministers' consideration which reiterates that aim of three western powers is to secure earliest possible completion of treaty leading to withdrawal of Soviet forces and restoration of free and independent Austria. Report contains following:

I. Treaty Issues

"The US, UK and Fr delegations recommend that the Ministers agree:

(1) That if and when the Soviet government show themselves ready to complete the treaty, the western powers should settle the unagreed Articles as quickly as possible and on the best terms they can get.

(2) That our present positions on each of the unagreed Articles should be maintained until the Soviet government demonstrate their readiness to complete the treaty.

(3) That in the treaty negotiations the western deputies should continue to place the blame for the delay on the Soviet deputy for his attitude on Article 48 bis, and for his introduction of other pretexts, and to emphasize their own readiness and desire to settle all outstanding issues.

(4) That the continuity of the deputies' negotiations should be maintained in order to keep alive Austrian hopes and to be in a position to take advantage of any possibility of a settlement. But so long as the present Soviet attitude persists frequent meetings can serve only to encourage hopes which are bound to be disappointed, to increase Austrian pressure on the western powers to make concessions to the Soviet Union, and to provide the latter

[1] The Deputies report was designated MIN/TRI/P/20 in the records of the meetings of the Foreign Ministers. (Conference Files, Lot 59 D 95, CF 20) Lot 59 D 95 is a collection of documentation on certain official visits of European Heads of Government and Foreign Ministers to the United States and on major international conferences, including North Atlantic Council sessions, attended by the Secretary of State for the period 1949–1955, as maintained by the Executive Secretariat of the Department of State.

with a propaganda forum. Meetings of the deputies should therefore not as a general rule be held more frequently than every six–eight weeks".

II. Action in Austria

"(A) The US, UK and Fr delegations recommend the three governments should make it their policy:

(1) To treat Austria as far as possible as if it were a free and independent country, by reducing the intervention of [*or*] interference of the Allied authorities in matters of Austrian sovereignty, jurisdiction, and administration, whether national or local, to the minimum consistent with the maintenance of the quadripartite organization and the execution of their duties by the occupation forces;

(2) To lessen the cost of the occupation to Austria as much as possible by reducing to the minimum consistent with security requirements and with the execution of the tasks of occupation the numbers of troops and of Austrians employed by three armies, the number of buildings requisitioned by their forces, and the number of civilian staffs of their elements on the allied commission, and by effecting all other possible economies.[2]

(B) Furthermore the US and UK delegations whose governments have already decided to appoint civilian high commissioners in Austria recommend that Ministers agree all three western governments take this step in concert in order to provide the most effective means of putting above principles in execution.

(C) US delegation recommends that Ministers agree three Western Governments should each assume costs of its occupation in Austria as is already done by US Government. In order to facilitate this decision, US Government is prepared to give sympathetic consideration to any proposal which might give offsetting financial advantages to governments concerned.

(D) The UK, US, and Fr delegations recommend that reply to Austrian request (i.e. recent Austrian note) be drafted in the light of Ministers' decisions."

It was not considered necessary to recommend Foreign Ministers' consideration few remaining differences with respect to individual Articles as these can be adjusted at appropriate time at deputies' level.

Sent Department 2498, repeated Paris 793, Vienna 104, Moscow 138.

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[2] In telegram 2185, Audel 262, May 10, to London, Reber was advised that the Department of Defense felt the level of United States troops in Austria was "at or below minimum required for security and occupation mission and no reduction in strength tactical troops and essential supporting units shld be made now." (663.001/5–1050)

In view of this opinion the Western Deputies rewrote this paragraph to read:

"To lessen the cost of the occupation to Austria by effecting all possible economies consistent with the tasks of occupation including economies in requisitioning buildings, in the size of the civilian staffs of their elements on the allied council and in the number of Austrians employed by the three armies. The number of tactical troops and their essential supporting units shall be kept at the levels imposed by security requirements." (Telegram 2566, Delau 461, May 11, from London, 663.001/5–1150)

663.001/5–1150 : Telegram

The Minister in Austria (Erhardt) to the Acting Secretary of State [1]

SECRET VIENNA, May 11, 1950—9 p. m.

698. Soviets have made it obvious they do not want treaty, and there seems to us no possibility of obtaining agreement through negotiations on outstanding treaty issues. In other words, we believe we can obtain treaty only through maneuvering Soviets into accepting it.

For this reason, we recommend that at May 22 meeting or shortly thereafter we offer to accept Soviet text of all remaining articles, including 48 bis, provided treaty can be concluded forthwith. It should, of course, be made clear that offer was conditional and would be withdrawn, if not accepted at once. We feel it might be dangerous to accept Soviet articles one at a time, as proposed by Austrians (Legtel 687, May 9, and Audel 263, May 10 [2]).

If above offer were rejected by Soviets (as we assume it would), then we would recommend that Western Powers decline to discuss any subject other than Article 48 bis, remind Soviets once again of their previous assurances, and refuse to negotiate further or to schedule next meeting until 48 bis is settled.

This move would, we believe, fix blame firmly on Soviets for treaty failure, whereas continued fruitless negotiations might risk creating false impression of ineffectiveness Western Powers vis-à-vis Soviets. We realize that abandonment of negotiations might lead to charges that treaty had become pawn in East-West struggle, but we are nevertheless of opinion this course leading up to vigorous and continuing campaign designed to press Soviets into acceptance of treaty or at least to terminate occupation, would in end prove best for Austria and Western interests.

As regards Austria, we feel we should not hesitate to say flatly that Soviet attitude had for moment made further treaty negotiations impossible, but we would continue efforts to obtain treaty, and in meantime would utilize every practical means to improve Austria's domestic situation and enhance her international position. Measures now under consideration by Western Powers would of course acquire even greater importance, and could be utilized fully to demonstrate continued Western support for Austrian independence.

As regards USSR, it seems to us their refusal to conclude Austrian Treaty could be used as exceptionally effective weapon against them

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[1] Secretary Acheson was in London attending a meeting of the three Western Foreign Ministers; for documentation on their discussions, see vol. III, pp. 828 ff.

[2] Neither printed; in the former Erhardt reported on a meeting of the three Western Ministers with Gruber, Figl, and Adolf Schaerf, Austrian Vice Chancellor, in which the Austrian leaders asked that Articles 16, 27, 42, and 48 be settled by the Deputies, thus leaving Article 48 bis as the only unsettled issue; in the latter the Department of State reported a similar approach by Kleinwaechter. (663.001/5–950 and 1050)

if it were followed up as suggested above and in answer to Soviet peace campaign,[3] Austria could be pointed to as best opportunity for Soviets to demonstrate their claims. Rather than permit Soviets to utilize Trieste as pretext to delay Austrian Treaty, we could let it be known that Austrian settlement was prerequisite for discussion of matters of interest to USSR. This course would not, we feel, necessarily lead to increase in Soviet pressure on Austria, but would on other hand, firm up and augment Austrian resistance, while at same time focusing world attention on Austrian Treaty as test case of Soviet intentions.

Sent Department 698, repeated London 91, Moscow 23, Paris 78; Department pass Moscow.

ERHARDT

[3] For documentation on the Soviet peace campaign, see pp. 261 ff.

Editorial Note

Among the subjects discussed by the Foreign Ministers at their meetings in London, May 11–13, was the Austrian Treaty. Working from the tripartite report prepared by the Deputies for Austria, the Ministers agreed on the text of a declaration for Austria which was released to the press on May 19. For the text of the declaration and for further documentation on the Foreign Ministers discussion of Austria, see volume III, pages 1071 and 828 ff.

663.001/5–2250 : Telegram

The United States Delegation for Austria at the Council of Foreign Ministers to the Acting Secretary of State

SECRET LONDON, May 22, 1950—8 p. m.

2845. Delau 464. At 254 meeting Austrian Deputies, Soviet deputy as chairman noted that adjourned date was fixed at request West delegates and suggested discussing remaining unagreed articles.[1] West Delegates restated treaty position set forth in declaration of three Foreign Ministers May 20 [*19*], pointing out that if all articles were to be settled 48 bis must be settled, but if Soviet delegate unready settle 48 bis then impossible settle all unagreed articles at once.

Soviet deputy insistently refused to make any commitment with respect to Article 48 bis until other articles had been discussed and suggested that they be taken up seriatim, beginning with Article 9.

[1] The United States Delegation minutes of this meeting are in CFM Files, Lot M–88, Box 117, USDel Mins.

US deputy, recalling past Soviet assurances, pointed out connection between other Articles, and concluded that Soviet offer meant discussion only of paragraph 5 Article 16.

Soviet deputy in insisting on discussion amendment Article 9 showed he was primarily desirous of discussing Soviet charges rather than text of amendment. All delegates repeated previous arguments this subject.

Soviet deputy, in attempt shift blame for delay on West deputies recapitulated familiar charges West deputies held up decision German assets two years, repeatedly refused discuss other articles, refused discussion Soviet amendment Article 9. US deputy again pointed out German assets decision made possible by decisions certain other articles as well as on basis Vishinsky New York assurances, that for last six months Soviet delegate consistently refused settle one single article, which by those assurances was linked with others, that West deputies never refused discuss Soviet amendment Article 9, but considered amendment unjustified by facts, and deputies not competent to find such facts.

In course attempt shift blame delay Soviet deputy pointed out that before signature Austrian Treaty it would be necessary that three West governments reply Soviet note April 20 re Trieste because it was impossible permit Austria become unlawful US/UK base in Europe as Trieste has become in violation of international obligations. US deputy in reply said that it was inadmissible that a treaty to re-establish independence and integrity Austria in compliance solemn pledge given by Four Powers should be made dependent upon something which has nothing whatsoever to do with Austrian Treaty.

UK deputy pointed out that Soviet set up three conditions for settlement of treaty, none of which deputies are competent to deal with: first, the finding of facts re Soviet amendment Article 9; second, reply to Soviet note on Trieste; and third, settlement of questions between Soviet Union and Austria arising out of 48 bis.

Adjournment having been suggested by French deputy, Soviet deputy at first said it was inexpedient postpone meeting, but would not insist his position, but after US deputy proposed fix date several weeks hence for next meeting, which was accepted by French deputy and UK deputy, Soviet deputy said that under present conditions meeting should be postponed until after receipt by Soviet Union of a reply by West governments to Soviet note of April 20 re Trieste. West deputies categorically rejected any possible connection between Trieste problem and question of Austrian Treaty. Soviet deputy reiterated that Trieste question had a direct relation with the Austrian Treaty as the question concerned the fulfillment of international obligations, and reiterated that he would be prepared to meet again only after

reply from three West governments on Trieste question had been received by Soviet Government. Pressed by UK deputy and US deputy who pointed out that if Soviet deputy insisted his position a serious situation would arise which they would have to report to their governments, Soviet deputy continued maintain position. French deputy proposed meeting Friday, May 26 at which time he could let others know what was attitude of French Government. After much discussion, in which all deputies maintained positions, US deputy summarized three proposals and suggested that since they required consultation with respective governments each deputy should inform Secretary General of his views as soon as possible.

Meeting adjourned with no decision.

West deputies will meet tomorrow morning in effort to formulate agreed recommendations to governments, on basis of which instruction will be sought.[2]

Sent Department 2845, repeated information Paris 900, Vienna 117, Moscow 154.

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[2] At their meeting on May 23 the Western Deputies agreed "to reject Soviet proposal to establish connection between reply on Trieste and date next meeting and to urge definite date of July 10 be established for next meeting." This position was approved by the Department of State on May 24, and, at the 255th meeting on May 26, despite Zarubin's efforts to discuss Trieste and violations of the denazification agreements and insistence that no date could be fixed for the next meeting until the Western powers had replied to the April 20 note on Trieste, the Western Deputies declared that they would be in London on July 10 ready to resume discussions, "and that if Soviets failed to appear obvious conclusions would be drawn." (Telegrams 2878, 2939, and 2970 (Delau 465, 471, and 472), May 23, 25, and 26, from London; Telegram 2503 (Audel 266), May 24, to London, none printed, 663.001/5-2350-2650)

663.001/7-650 : Telegram

The Secretary of State to the United States Delegation for Austria at the Council of Foreign Ministers[1]

SECRET WASHINGTON, July 6, 1950—8 p. m.

76. Audel 274. Delau 475.[2] West replies having now been sent to Sov note on Trieste it is assumed, in absence info to contrary, Sov Dep will participate July 10 mtg. Concur however in Berthelot's plan smoke out Zarubin's intentions prior to mtg.

Believe decision three West Deps to meet as scheduled must depend upon nature Zarubin's reply to SYG's communication convening mtg. If Zarubin does not reply and fails to be present for mtg Dept sees no objection to three West Depts meeting for purpose of drafting

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[1] Repeated to Paris as 66, Vienna as 26, and Moscow as 14.
[2] Not printed.

statement to press along lines suggested.[3] Believe press statement, if issued, shld include mention of fact that it was impossible for Deps take any action on Treaty in absence Sov Dep, in order to make clear that we are not going ahead with Treaty without Sov participation and to avoid speculation that West plans negotiate separate Treaty. It is Dept's further view that if developments are such as to render issuance press statement advisable, the statement shld be carefully drawn and include strong support West position and listing of Sov actions which have blocked conclusion Treaty with emphasis on failure Sov Govt to live up to its pledge made in the Moscow Declaration to reestablish Austria's independence. It shld be borne in mind in this connection that the Aust Treaty may ultimately come before the UN for consideration and that, in such event, a statement of the nature now under consideration wld become a basic paper in the West's documentation. Dept therefore attaches considerable importance to the statement and if time permits and if in your judgment reference of the text to the Dept prior to issuance seems desirable such a course shld be followed.

Dept agrees with you that Sov Dep if present may again attempt raise extraneous issues and possibly utilize occasion to tie-in Korean situation[4] with previous Sov accusations re denazification, demilitarization, Trieste and our militaristic policies in Austria and elsewhere. If so you shld follow procedure heretofore adopted of refusing to admit such issues are pertinent to Treaty negotiations and, while vigorously defending US and West actions, avoid debating issues foreign to Treaty discussions. Concur in suggestion that Chairman shld rule remarks of this character out of order and insist that discussions be confined to issues relating to Aust Treaty, terminating mtg if circumstances shld be such as to make that action appropriate.

Supplementing Audel 273,[5] Dept believes, in absence further info Sov intentions, West actions July 10 mtg shld be governed by foregoing and by following further considerations: (1) our basic objective remains conclusion Treaty on best terms obtainable; (2) continuity mtgs shld be maintained and we shld endeavor prevent break in negotiations as outlined Audel 266;[6] (3) West shld attempt fix definite date for next mtg under formula agreed by FonMins; and (4) West

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[3] The proposed statement deplored the absence of the Soviet Deputy and added that his absence gave "further evidence of unwillingness of Soviet Union to fulfill undertaking in respect conclusion Austrian Treaty." (663.001/7–550)

[4] For documentation on the North Korean invasion of South Korea, see volume VII, pp. 125 ff.

[5] Not printed; it instructed Reber to proceed to London for the July 10 meeting of the Austrian Deputies. He was to be guided by the Foreign Ministers agreement on the Austrian Treaty and was given authority to schedule the next Deputies meeting in September if circumstances warranted. (663.001/6–2850)

[6] Not printed; it provided that the Western Deputies "make every effort prevent break in Treaty negots . . . and endeavor obtain advance agreement fixed date for each mtg in order maintain continuity thereof". (663.001/5–2450)

shld reject any Sov attempt reopen discussion agreed arts with specific reference to earlier Sov attempt reopen Art 9 (Audel 261 [7]).

Dept notes ur expression doubt advisability continuing mtgs and agrees that circumstances might require departure from paragraphs (2) and (3) formula preceding para if Sov Dep should make clear that Sov policy is to prevent transaction any Treaty business and it becomes apparent Treaty mtgs are being used exclusively for Sov propaganda purposes. Believe that any decision in this respect, however, must necessarily await developments. It is suggested therefore, if tenor of mtg is in your view such as requires departure from policy referred to in preceding para, that no decision be reached re termination mtgs without prior reference to Dept for consideration with ur recommendation and Brit and Fr views in regard thereto.

ACHESON

[7] Not printed; it stated "that Deputies' mtgs not proper forum for discussion Sov charges, that no facts before Deputies to justify reopening agreed Art 9, that AC Vienna place where such charges shld be considered." (396.1-LO/5-450)

663.001/7-1050 : Telegram

The United States Delegation for Austria at the Council of Foreign Ministers to the Secretary of State

SECRET LONDON, July 10, 1950—7 p. m.

208. Delau 479. As anticipated, no progress made 256th meeting of Austrian deputies today.[1] In opening statement as chairman, Berthelot reviewed position taken by west deputies at last meeting and obstacles raised by Soviet to consideration unagreed articles. US and UK deputies reiterated desire their governments to conclude treaty as rapidly as possible and willingness to proceed with examination of all agreed articles providing Soviet representative would assure them that such a procedure would in fact result in completion treaty.

Zarubin then read long statement which substantially paraphrased Soviet notes April 20 and July 8 [2] re Trieste. US delegate replied that Trieste question has nothing whatsoever to do with work Austrian delegates, hence injection of this issue could only be viewed as further pretext to hold up work on Austrian treaty. UK deputy concurred in "complete irrelevancy" Trieste question to matter at hand.

[1] The United States Delegation minutes of this meeting are in CFM Files, Lot M-88, Box 117, USDel Mins.

[2] For the text of the July 8 Soviet note on Trieste to the Governments of the United States, United Kingdom, and France, see Margaret Carlyle, ed., *Documents on International Affairs, 1949-1950* (London, Oxford University Press, 1953), pp. 519-521.

Soviet representative asserted statements made by west deputies reflected positions of their governments in evading replies to proposals made by Soviet in April 20 note. It had been made factually clear in note that west governments violating international obligations under Italian treaty, not only having established "police state" in Trieste but also turned it into naval base. Such violations in Soviet view have direct connection with draft Austrian treaty for actions taken by west powers re Italian treaty give no assurance that they would implement an Austrian treaty. Hence, Soviet requires assurance that west powers will put an end to violations of Italian treaty. In circumstances therefore west government solely responsible for holding up Austrian treaty.

In subsequent discussion Zarubin proposed deputies should proceed with consideration unagreed articles beginning with Soviet proposed amendment to Article 9, but refused to give assurance that such procedure including west deputies offer to accept Soviet text Article 48 bis would result in conclusion treaty. In view impasse French deputy suggested meeting adjourn until September 7. US and UK deputies agreed but Zarubin said he would have to refer to his government this "proposal for further delay on work of deputies". Its views, he concluded, would be communicated to SYG.[3]

Sent Department 208, repeated information Vienna 10, Paris 66, Moscow 16, Frankfort 34, for Reber.[4]

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[3] On July 17 Embassy London reported a telephone message from Zarubin in which the Soviet Delegate took notice of the desire of the Western Deputies to adjourn until September 7. Representatives of the Foreign Office, French Embassy, and United States Embassy interpreted this to mean that Zarubin would attend the meeting on September 7. (Telegram 340, July 17, from London, 633.001/7–1750).

[4] Reber had returned to Frankfort after the 256th meeting to resume his duties as Counselor of Mission.

Editorial Note

At the 257th meeting of the Austrian Deputies on September 7, Zarubin took the same line as at previous meetings and "after a mutual exchange of recriminations" the British Deputy proposed, and the United States and French Deputies accepted, a proposal to suspend the meetings until mid-December. Zarubin agreed to consult his Government and inform the Secretariat whether this procedure could be adopted. (Telegram 1454, Delau 487, September 7, from London, 663.001/9–750)

663.001/9–1550 : Telegram

The Acting Secretary of State to the Secretary of State, at New York [1]

TOP SECRET WASHINGTON, September 15, 1950—7 p. m.

Tosec 17. For Perkins. Fol reply from Pace [2] on Dept's proposals for future procedure on Aust Treaty:

"I am, of course, aware that the proposal for a Four-Power Declaration would be made in implementation of NSC 38/6.[3] I am also aware that from a propaganda standpoint such an approach has certain value.

However, I note that NSC 38/6 envisages that the Four-Power Declaration is proposed as a substitute for the Austrian Treaty only in the event that an appropriate provision is made therein to assure that Austrian security forces will, prior to the initiation of the withdrawal of the occupation forces from Austria, be reasonably adequate to maintain internal security. Although it appears to me that it is extremely doubtful that the USSR would accept the proposal for a Four-Power Declaration, such a possibility does exist. If the Soviets immediately accepted the proposal and early withdrawal of Western occupation forces ensued, sufficient equipment under the U.S. Military Assistance Program will not be available to equip the Austrian army to the extent necessary to provide for the internal security of Austria. Due to the priority requirements resulting from the Korean operations and the resultant tense world situation, all of the equipment for the Austrian army will not be stockpiled in Germany and Austria until about 1 September 1951. Accordingly, if the Western Powers agree to make the proposal and if the Soviets should accept it, I request that the Department of State take necessary steps in the implementation thereof to afford sufficient time prior to ratification to enable us to advance the date for the completion of the Austrian program.

I consider that the Soviet drain on Austrian economy is so severe that the initial negotiating position envisaged in the proposal, with respect to the renouncement of Article 35 of the draft treaty, should be maintained by the Western Powers throughout the negotiations. If the Soviets reject the proposals on these terms, I believe that the idea of a Four-Power Declaration should be abandoned.

Subject to the points I have mentioned above, I concur in the proposal for a Four-Power Declaration. However, it is my belief that, because of the security implications involved, the question of Austria should not be referred to the United Nations General Assembly this fall. It is entirely possible that, if the issue were introduced in the

[1] Secretary Acheson was in New York to attend the fifth session of the United Nations General Assembly and the fifth session of the NATO Council.

[2] Frank C. Pace, Jr., Secretary of the Army.

[3] Regarding NSC 38/6 and the proposal for a Four-Power Declaration, see the editorial note, p. 397.

General Assembly, the Soviets might maneuver the Western Powers into a position involving the immediate withdrawal of occupation forces, which would be unacceptable from the standpoint of Austrian security."

WEBB.

663.001/9–1650 : Telegram

The Acting Secretary of State to the Secretary of State, at New York [1]

TOP SECRET WASHINGTON, September 16, 1950—2 p. m.

Tosec 21. Attention Perkins. Consideration has been given here to possible moves which might be made on Aust question in light current world situation and negative results of last Deputies mtg. US policy directives approved by NSC (Tosec 130, May 8 [2]) do not take into account current developments. Our objective of concluding Aust Treaty remains unchanged, altho we recognize difficulties which wld be added to West defense responsibilities if Aust Settlement were reached and occupation troops withdrawn at this time. Any action taken by West Powers, however, shld not prejudice ultimate conclusions Treaty, weaken Aust support of West, or provide Sovs with possibility of obtaining initiative and proposing settlement on their own terms.

In order that Aust problem may be considered in light of present situation, as proposed in preliminary views on FonMin conf (Deptel 753, Aug 10 [3]) we are considering fol tentative plan which might be discussed with Fr and Brit in general terms.

West Powers shld approach Sovs thru diplomatic channels, either jointly or separate diplomatic notes to propose acceptance in lieu of present draft Treaty those provisions outlined in NSC draft Declaration which with one exception consists of agreed arts in draft Treaty. If proposal rejected or no reply forthcoming, three govts wld then consider as subsequent step tripartite submission question to UNGA at some future time presenting to GA record of Treaty negots and offering some such proposal as GA recommendation that Four Powers be requested to take all possible steps to restore Aust sovereignty and

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[1] Repeated to Paris as 1362, to Moscow as 193, to London as 1433, to Vienna as niact 490, and to Frankfort for Reber as 2105.

[2] Not printed; it transmitted the text of NSC 38/6. (663.0015–850)

[3] Not printed; it transmitted a tentative list of topics for the September Foreign Ministers meeting. Austria was included under point V, with the suggestion that the Ministers might have to review Western strategy in the negotiations for an Austrian treaty. As part of the review the Department of State was considering placing the Austrian question before the United Nations General Assembly or making a further approach to the Soviet Union through diplomatic channels. (396.1–LO/8–1050)

independence or that draft declaration be accepted as final settlement. Care shld be taken to avoid impression we are asking GA to negot treaties.

Although US not reached final decision re submission GA, we feel such course wld offer general advantage of bringing pressure world opinion to bear on USSR by demonstrating example repeated West efforts settle problems thru direct negots. It wld further demonstrate willingness West Powers, in seeking all reasonable methods settlement, to rely world judgment by accepting UN recommendation as binding and wld indirectly help counter any Sov peace offensive. On other hand, immediate submission to UNGA could result in Sov maneuver proposing immediate withdrawal occupation forces or create situation in which West powers wld lose control of timing. In this connection see last para Pace's letter to Matthews Tosec 17. Under existing directives US forces can not be withdrawn until adequate Aust security forces are in being and trained and equipped to maintain internal order. Due to priority requirements at this time stockpiling for Aust program may not be completed until Sept 51. Control wld have to be exercised of ratification of declaration to afford sufficient time to advance date for completion Aust program.

A tentative outline of note to be sent to Moscow fol:

Govts concerned at failure to reach agreement on Aust Treaty after more than three years negots. Govts, US, UK, Fr, and USSR have promised to Aust people freedom and independence. West Govts have done all in their power to keep this promise and consider that after five years occupation Aust people have right to expect that foreign troops be withdrawn their territory and their sovereignty restored. It is therefore with great regret that we note lack of success in Treaty negots in spite of fact that all important issues Aust Treaty have been settled and remaining disagreed arts do not affect principles governing out basic task in Aust.

West Govts feel that the fulfillment our promise to Aust is long overdue. Therefore submit for consideration of Govt of USSR that the Four Powers accept minimum provisions for ending occupation Aust; that Four Powers make declaration that their forces are to be withdrawn from Aust in accordance with these provisions and Aust sovereignty completely restored; that upon ratification this declaration by Four Govts and Aust all allied forces in Aust be withdrawn under conditions and within time limits specified Art 33 draft Treaty; that Austs independence within her frontiers as they existed on Jan 1, 1938 be reestablished and that Four Powers agree to respect this independence; that no reparations be exacted from Aust; that each of occupying powers relinquish to Aust all Ger assets and war booty held or claimed by them in Aust; and that they sponsor admission Aust to UN.

West Govts consider this proposal wld satisfy deeply felt and long unfulfilled desire of Austs for freedom and equal place in family of nations. It is hoped that USSR will give it early and favorable consideration. *End outline note.*

Text of note wld require careful drafting to strengthen West position in event Aust case is eventually referred to UNGA. As negot position we consider first approach shld contain proposal for relinquishing claims to Ger assets. If Sov refusal to accept constituted only block to agreement we cld offer as final position to accept agreed text Art 35. Time limit for withdrawal same as that proposed under Treaty including ratification period cld be utilized for implementation present plans for establishing adequate Aust security force.

AmLegation Vienna pls comment urgently to Sec in NY on foregoing in light Legtel 458, Sept 13 and Deptel 460, Sept 14.[4] Details of foregoing plan shld not repeat not be disclosed to Aust officials at this time. AmEmb Moscow, pls comment in light of present Sov policy.[5]

WEBB

[4] Neither printed; the former reported that Gruber had reacted enthusiastically to the suggestion that the Austrian treaty question be brought before the United Nations; the latter reported a conversation with Kleinwaechter in which the Austrian Minister indicated that Gruber wanted the Austrian treaty to be part of any general discussion of East-West problems by the General Assembly. (663.001/9–1350 and 320/9–1450)

[5] Legation Vienna and Embassy Moscow both supported the course of action outlined in this telegram. Vienna stressed that there were signs of Austrians in the Eastern Zone coming to terms with the Russians, although the local officials were still firm. Moscow speculated that a direct approach "would lead Soviet counterdemand . . . or perhaps proposal limited to withdrawal troops," while engaging the United Nations in the solution of the Austrian question would tend to minimize the possibility of Soviet aggression in Austria. (Telegrams 483, September 17, from Vienna, and 730, September 19, from Moscow, neither printed, 763.5/9–1750 and 663.001/9–1950)

663.001/10–2850

Memorandum of Telephone Conversation, by Mr. Ben D. Kimpel of the Office of Western European Affairs

SECRET WASHINGTON, October 28, 1950.

Participants: Dr. Coreth[1] (Vienna) calling from New York
Mr. B. D. Kimpel, WE

Subject: Conversation between Dr. Gruber and Mr. Vishinsky as related by Dr. Coreth

Dr. Gruber wanted to inform the Department of a long conversation which he had with Vishinsky at the latter's country home near New York.[2] Dr. Gruber had, at first, not intended to discuss Austrian problems in detail, but Vishinsky was unusually affable and anxious to talk. They first discussed the State Treaty. Vishinsky said that the Soviet Union has always been anxious to conclude a Treaty but feared

[1] Dr. Johannes Coreth, Counselor of the Austrian Foreign Ministry.

[2] Gruber and Vyshinsky were in New York to attend the fifth session of the United Nations General Assembly.

that the Western Powers would keep insisting on postponement and would refuse to discuss the unagreed Articles, particularly the Soviet amendment to Article 9. Vishinsky emphasized the fact that this amendment is necessary because the Austrian Government has not carried out its task of de-Nazification and demilitarization. Vishinsky went on to say that the Soviet Union was leery of concluding further treaties with the Western Powers when the latter did not carry out treaties already concluded. He mentioned particularly the provisions of the Italian Treaty dealing with Trieste, and asked what guarantee the Soviets would have that the United States would withdraw from Austria should a Treaty be concluded. Dr. Gruber assured him that the Austrian Government would oppose any unilateral occupation, to which Vishinsky answered that the Austrian Government would not be powerful enough to assure the withdrawal of United States troops. He concluded this subject with a clear statement that he does not believe that so long as the Western Powers are unwilling to end the cold war and settle all outstanding issues, any such issues can be satisfactorily settled.

Dr. Gruber then mentioned recent instances of Soviet interference in Austria. Vishinsky stated that he was not familiar enough with details to discuss this question, but believed that the Soviet occupation forces should have the right to remove Fascist elements from the police. He concluded with the statement that the Soviet Union in no way wished a deterioration of its relations with the Austrian Government or a change in the present situation.

Dr. Gruber drew from this conversation the conclusions that the door should continually be kept open for negotiations on the Treaty and that the Soviets did not intend to change the *status quo* in Austria.

663.001/11-2450

Memorandum by the Assistant Secretary of State for European Affairs (Perkins) to the Secretary of State

TOP SECRET [WASHINGTON,] November 24, 1950.

Subject: The Austrian Treaty and Four-Power Relations

In the event that Four-Power discussions [1] take place, the obvious problem for the Western powers to raise is the settlement of the Austrian Treaty. This question has been negotiated since 1946 and all major problems in the Treaty affecting East-West differences have been settled.

[1] For documentation on the Soviet proposal for a meeting of the Council of Foreign Ministers, including the text of the Soviet note of November 3 and the reply of the three Western Powers on December 22, see pp. 902 ff.

Any Western proposal on Austria should be designed to obtain the maximum clarification of Soviet intentions in Europe, and should, therefore, be timed in terms of the development of Soviet maneuvers in the German question as well as a logical step in the Austrian Treaty negotiations. Western initiative in the Austrian negotiations would provide an effective counter-move to Soviet diplomatic action in Germany. In addition, it would be another attempt to ascertain whether the Soviet Government has any serious intention of concluding the Austrian Treaty. Any clarification which might be obtained would be of fundamental value in determining the exact nature of present East-West relationships.

As far as the Austrian negotiations are concerned a meeting of the Deputies is scheduled in London in mid-December. At the last meeting there was a serious procedural wrangle as well as a Soviet insistence that the Trieste question be made an outstanding issue in the Austrian settlement. The next meeting will be the 258th meeting of the Deputies and it is not likely that the present stalemate can be broken if we follow the standing instructions on which Reber has been operating. On the other hand, in the absence of any move on the part of the Western Powers an opportunity could be given to the Soviets to make some move in Austria to advance their own propaganda aims or any other objective which they may seek in Europe as well as Austria.

Four possible approaches could be utilized to test the Soviet position in Austria, and thereby, obtain clarification on the European situation:

1. To continue to meet at regular intervals without any attempt to break the deadlock. This alternative would preserve the continuity of the Treaty negotiations, but cannot be utilized many more times without destroying the Austrian hope that the Treaty will ultimately be concluded. It would add nothing to our information on Soviet intentions.

2. To inform the Soviets in the December meeting that we would accept their terms on the remaining unagreed articles. This course is not desirable since it would not necessarily lead to the fulfillment of our objective of concluding the Treaty. In all probability the Soviets would insist that their proposed amendment to Article 9 on denazification be discussed, thus forcing the Western Powers to accept concessions above and beyond those called for to conclude the remaining unagreed articles. Unless this move secured the conclusion of the Treaty it would constitute a piecemeal approach to the general European problem.

3. Submission of the Treaty to the UNGA for discussion and possible settlement. This step has been widely discussed but is premature until the issues have been simplified and clarified to such an extent that the Western Powers can call on the GA for a resolution demanding the withdrawal of occupation forces and the affixing of signatures to the final settlement. There are too many complicated problems both of procedure and content involved in the Treaty to permit any discussion in the GA. The GA action might be a resolution condemn-

ing all of the occupying forces which would not center the blame on the Soviet Union. For these reasons this course of action is not desirable.

4. Proposal to the Soviets that a Four-Power Declaration consisting of selected agreed articles from the Treaty constitute an Austrian settlement in lieu of a Treaty, as discussed in NSC 38/6. The U.S. security position would not be affected by such a proposal since it would include provision for ratification and for the 90-day period before the withdrawal of troops thus providing sufficient time to carry out tripartite plans for training and equipping the Austrian army. This Declaration has been under consideration in the Department for some time. It is the best course of action open at the present in the Austrian question. It would provide a simplification of the complex issues in the Treaty and put the Soviet Government in a position of either accepting or rejecting an Austrian settlement.

This course of action would be desirable in presenting the Soviets with a simple and clear problem, the answer to which would determine not only our future course of action in Austria but also would clarify existing relationships with the Soviet Union and offset any propaganda or diplomatic advantage which the Soviet policy may have obtained in the German question.

Recommended Action:

It is recommended that the proposal outlined in paragraph 4 above be discussed with the British and French, as well as with the Austrian Government, as a possible topic to be raised in any preliminary talks which may be held with the Soviet representatives for a possible CFM. If these preliminary talks are not held, the proposal outlined above could then be made by the Three Western Powers through diplomatic channels to the Soviet Government.[2]

Approved _____

Date _____[3]

[2] In a similar memorandum to Secretary Acheson on December 6, not printed, Perkins recommended "that British and French concurrence be sought to include the draft Austrian Treaty in any possible Four-Power negotiations." (663.001/12-650)

[3] There is no indication on the source text of Secretary Acheson's approval or disapproval of the recommended action.

663.001/12-1550 : Telegram

The United States Delegation for Austria at the Council of Foreign Ministers to the Secretary of State

SECRET LONDON, December 15, 1950—6 p. m.

3481. Delau 491. 258th meeting Austrian deputies varied little from previous meeting except Zarubin refrained from polemic and contented himself with brief reiteration charges West violating Italian

treaty with respect to Trieste.[1] He then asked for assurances similar situation would not develop in Austria if treaty were to be concluded. He was unsuccessful, however, in his attempts to draw out discussion on this extraneous issue. He again offered to start discussion unagreed articles beginning with Soviet proposed addition to Article 9 and in latter connection intimated that Soviet would be prepared to drop suggested addition in return for quadripartite investigation Fascist activities all zones with view to submitting report of findings to AC. West deputies avoided discussion of any specific article.

UK deputy proposed next meeting be held mid-March or earlier provided any deputy had anything new to add. Proposal was agreed to by US and French deputies, while Zarubin indicated he would yield to wishes of majority in matter.

Sent Department 3481, repeated information Vienna 94, Moscow 122, Paris 1175, Frankfort 643 for Reber.

[1] At the 258th meeting Etienne M. R. de Crouy-Chanel, Minister-Counselor of the French Embassy in the United Kingdom, replaced Berthelot as the French Deputy for Austria. The United States Delegation minutes of this meeting are in CFM Files, Lot M-88, Box 117, USDel Mins.

THE INTEREST OF THE UNITED STATES IN THE FORMATION OF A FUTURE AUSTRIAN ARMY AND THE ARMING OF THE AUSTRIAN "GENDARMERIE"[1]

763.5/1-1350

Memorandum Prepared in the Department of State for the Executive Secretary of the National Security Council (Lay)[2]

TOP SECRET WASHINGTON, January 13, 1950.

Subject: Implementation of NSC 38/4.[3]

1. The following actions have been taken, pursuant to NSC Action No. 260, November 18, 1949, "Future courses of action with respect to Austria",[4] since the submission of the last progress report on December 29, 1949.[5] The numerical references are to the paragraphs of the Conclusions as they appear in the basic paper 38/4.

Paragraph 7. Size of Austrian Army.

(*a*) A proposed troop basis which may serve as a basis for the programming of equipment has been submitted to the Joint Chiefs of Staff for consideration. This proposal is now pending before the JCS.

[1] Continued from *Foreign Relations*, 1949, vol. III, pp. 1236 ff.

[2] The source text, prepared in the Department of State by Edgar P. Allen of the Office of Western European Affairs, was an attachment to a memorandum from George W. Perkins, Assistant Secretary of State for European Affairs, to Secretary Acheson, not printed, which asked that the progress report be transmitted to Lay if approved (763.5/1-1350).

[3] *Foreign Relations*, 1949, vol. III, p. 1190.

[4] Not printed.

[5] Not printed, but see *Foreign Relations*, 1949, vol. III, footnote 11, p. 1197.

(*b*) General Keyes has discussed the size and organization of the Austrian army with British and French representatives in Vienna and has submitted to them detailed proposals to implement the program with a view to obtaining a unified tripartite position in making an approach to the Austrian Government. General Keyes will report further upon the receipt by him of British and French comments.

Paragraph 9. Approach to Soviet Government for immediate creation of an Austrian Army.

The French Ambassador again informed the Department of State, on January 10, 1950,[6] of the position of his Government that an approach should be made to the Soviets in regard to this matter, either on a governmental level or by the Austrian Treaty Deputies, before an Austrian treaty is signed. It was pointed out to the French Ambassador that it is the understanding of this Government that it was agreed by the Foreign Ministers at their September 15, 1949,[7] meeting that an approach would be made to the Soviets after the treaty signature and that any prior approach might lead to a Soviet refusal to sign the treaty. The Ambassador was further informed that this Government prefers that the subject of an Austrian Army not be discussed by the Treaty Deputies as we wish to keep this problem separate and distinct from the treaty negotiations. It was also pointed out that both the British and Austrians have raised certain questions concerning the possible results of an approach to the Soviets, namely either a flat Soviet rejection of any plan to proceed with the formation of an Austrian army or a Soviet acceptance of such a proposal coupled with a Soviet demand that they participate fully in the formation of an Austrian army. The Ambassador was informed that these views are now receiving consideration.

Paragraph 10. Feasible Steps to be Taken to Create an Austrian Army or to Expand the Gendarmerie *Training Program without Soviet Approval.*

General Keyes was requested to comment on the feasibility of certain proposed steps designed to facilitate the subsequent rapid organization of an Austrian army. An interim reply was received from General Keyes [8] and a further reply has been requested.

Paragraph 11.a. Further Efforts to Obtain Agreement by the U.K. and France to Assume their Share of the Mutual Responsibility for the Internal Security of Austria.

(1) The French Government has informed the American Ambassador in Paris that it is in full agreement with the principle of joint United States, United Kingdom, and French responsibility for the internal security of Austria after the Treaty becomes effective. The French Ambassador informed the Department of State on January 10 that while his Government is prepared in principle to make its contribution to equipping an Austrian Army, payment or replacement must be obtained by France for any equipment turned over to the

[6] No record of Ambassador Bonnet's conversation with Assistant Secretary Perkins concerning Austria on January 10 has been found in Department of State files.

[7] For a memorandum of conversation on this meeting, see *Foreign Relations*, 1949, vol. III, p. 1148.

[8] No copy of this reply has been found in Department of State files.

Austrians. He added that it might be possible for the French occupation forces to leave certain items, particularly light weapons, when they withdraw from Austria, but that any items so left would have to be replaced.

(2) The American Ambassador in London has been informed by the British Foreign Office that the Government of the United Kingdom is prepared to give formal assurance that it will assume its share of mutual responsibility for the internal security of Austria. The British Government proposed that this assurance take the form of a tri-partite agreement, preferably to be drafted in London by the Western Treaty Deputies.

(3) This Government has taken the position that it does not envisage a formal agreement on this subject and has informed both the British and French Governments of its preference that discussions in regard to the organization of an Austrian army not be undertaken by the Western Deputies for the Austrian Treaty negotiations.

(4) It has been proposed that British, French and U.S. representatives meet in Washington with a view to reaching basic understandings as to the particular categories of equipment which the respective Governments may be in a position to furnish. This proposal has been accepted by the French and British Governments, and it is anticipated that conversations on this subject will begin at an early date.

(5) The American Ambassador in London has been informed by the British Foreign Office that the British Government will provide the air force equipment and ground and supporting materiel necessary for the operation of an Austrian Air Force. The British state that it has not yet been determined whether such equipment and materiel will be furnished on a grant basis or in the form of a loan. The British have assured the American Ambassador that the U.S., and in particular U.S. representatives in Vienna, will be furnished complete and current information concerning U.K. planning for this phase of the Austrian security problem.

Paragraph 11.c. Program Equipment for Austria under MAP.

(1) The Department of the Army has prepared a tentative equipment list based on the proposed troop basis referred to in Paragraph 7(*a*) above. This equipment list has been forwarded to General Keyes with a request that any items procurable from Austrian sources be deleted. Availability studies will be undertaken after General Keyes' comments regarding the equipment list have been received and the JCS have approved the troop basis.

(2) The JCS have furnished their views on certain aspects of the problem to the Office of the Secretary of Defense (JCS 1868/153 [9]).

(3) A proposed reprogramming directive covering *inter alia* the Austrian program has been drafted at the FMACC working level and is currently under consideration.[10]

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[9] Not found in Department of State files.

[10] On January 18 an addition to the text of paragraph 11.*c*.(3) was submitted by William H. Bray, Chief of the program staff of the Mutual Defense Assistance Program for incorporation in the progress report. It reads as follows:

"Programming of military equipment for Austria is complicated by several factors. The Mutual Defense Assistance Act of 1949 does not empower the

Footnote continued on following page.

2. The Deputies for the Austrian Treaty negotiations resumed their meetings in London on January 9, with no change in the Soviet position which has blocked further progress until conclusion of the bilateral negotiations between the Soviet Union and Austria on the question of payment for supplies and services (Article 48 bis).[11]

Footnote continued from preceding page.

President to take steps to meet the Austrian requirements, although the Executive Branch specifically requested this authority. The equipment required by Austria is directly competitive with the requirements of the North Atlantic Treaty countries. Furthermore the volume of equipment deliveries to these countries in 1950 will be relatively small, and Austrian requirements can be met only by placing on them an over-riding priority.

The method of dealing with these problems involves advance planning within the framework of the Mutual Defense Assistance Program. Equipment programmed for the North Atlantic Treaty countries will *not* be changed. Those items of equipment needed by Austria and which are included in the programs of the North Atlantic Treaty countries will first be shipped to the U.S. forces in Western Germany where the equipment will be in a position for transfer to Austria, provided the Congress specifically authorizes the transfer. Any equipment needed by Austria which has not been programmed for the North Atlantic Treaty countries will have to come from other sources and be financed with other than MDAP funds. If Congress authorizes the transfer and appropriates funds therefor, those funds will be used to replace the equipment in the programs of the North Atlantic Treaty countries. If Congress does not authorize the proposed transfer to Austria, the equipment will be delivered to the countries for which it is programmed. It will be necessary for the State Department, as the agency which will be charged by the President with responsibility for administration of the Mutual Defense Assistance Act of 1949, to consult with Congressional leaders on those proposals for meeting the Austrian military equipment requirements." (Memorandum from Bray to Francis T. Williamson, Officer in Charge of Italian-Austrian Affairs, January 18, not printed, 763.5/1-1850)

[11] For documentation on the meetings of the Deputies for Austria, including a telegraphic report on the 247th meeting on January 9, see pp. 430 ff.

CFM Files: Lot M-88: Box 152: Briefing Book-Military Planning[1]

The United States High Commissioner for Austria (Keyes) to the Department of the Army

TOP SECRET VIENNA, 1 February 1950.

P-4463. Ref P-4441 and War 99047.[2] Following agreed points complete agreement among three Western elements on board [*broad?*] principles for creation of Aust Army:

a. Orgn of Aust Army outlined in enclosure to P&O letter dtd 22 Nov 49[3] has been accepted as basis for 28,000-man army.

b. Combined planning for creation of Aust Army must have its objective the expansion of the Army to its ultimate treaty strength of 53,000 including *gendarmerie.*

[1] The CFM Files are a consolidated master collection of the records of conferences of Heads of State, Council of Foreign Ministers and ancillary bodies, North Atlantic Council, other meetings of the Secretary of State with the Foreign Ministers of European powers, and materials on the Austrian and German peace settlements for the years 1943-1955 prepared by the Department of State Records Service Center.

[2] Neither found in Department of State files.

[3] Not found in Department of State files.

Details concerning development of Aust Army and use of special *gendarmerie* regt have been subject of further discussions. Initial US proposals referred to in P–4389 [4] brought forth constructive comments and counter proposals which are reflected in broad plan presented to French and British elements on 30 Jan 50. Recognizing impossibility of completing even minimum essential steps for creation of Aust Army in 90 day period, plan outlined below cites covert steps to be taken by Aust Govt prior to eff [effective] date of treaty. Security and political considerations necessitated formulation of plan without benefit of advice from Aust officials. It is believed that these steps can be taken without legal Soviet interference and with minimum Soviet reaction. This plan does not sacrifice our basic aims and should not be construed as substituting *gendarmerie* for Aust Army. Prior to presentation to Aust Govt your apl [approval] in principle of this plan is considered essential. Meanwhile, subj to their High Commissioner's acceptance of plan, French and British have agreed to meet about 3 Feb 50 with US element at working level to draft policy paper based on this plan for presentation to Aust Govt by three Western High Commissioners.

Proposals made to French and British on 30 Jan 50 follow:

a. As soon as peace treaty has been initiated Aust Govt will expand *gendarmerie* by bringing in 10,000 temporary gendarmes who will be organized into potential divisional type units. This expansion can be accomplished and supported by supplementary budget not subj to Soviet veto.

b. When treaty becomes eff temporary *gendarmerie* units will be transferred to Aust Army intact.

c. Primary mission special *gendarmerie* regt now being trained is to assist in timely creation of Aust Army; secondary and covering mission to provide mobile security force.

d. In fulfilling primary mission special *gendarmerie* regt will train temporary gendarmes as cadres for expansion of temporary *gendarmerie* units.

e. Special *gendarmerie* regt shall have nucleus of regular gendarmes (aprx 40%) permanently assigned to regt. Remainder of authorized spaces will be filled by successive increments of temporary gendarme trainees who will be potentially qualified for regular army assignment.

f. Plan provides for rotating aprx 20% of authorized strength of special *gendarmerie* regt into inactive *gendarmerie* reserve every two months beginning six months after plan is initiated.

g. Reserve of trained temporary gendarmes will form cadres for units created during *gendarmerie* expansion after initialing of treaty.

Under this plan development of Aust Army would progress in following four phases:

a. First phase (period prior to initialing of peace treaty). Aust Govt will prepare draft legislation covering expansion of *gendarmerie*

[4] *Foreign Relations*, 1949, vol. III, p. 1256.

and creation of Aust Army. Special *gendarmerie* regt will train cadres as outlined above. Aust orgn, logistical, and training plans will be completed.

b. Second phase (period from initialing to ratification of treaty—est aprx six months). Aust Govt will implement promptly legal provisions to expand *gendarmerie* by 10,000 temporary gendarmes. Based on these provisions the temporary gendarmes will be organized into potential divisional type units with the majority infantry. Equip rqd for issue to temporary *gendarmerie* units during this phase will consist primarily of individual arms and equip. Reduced amounts of orgnl arms, equip, and trans will also be rqd for training. It is planned to utilize part of the equip to be stockpiled for Aust Army; issue to be accomplished in same manner that equip was issued to special *gendarmerie* regt.

c. Third phase (period from ratification to departure of occupation forces—90 days). Aust Govt will im [immediately] introduce and pass legislation creating Aust Army; Aust Army will be created; temporary *gendarmerie* units will be transferred to Army; Army will expand to 28,000 men. Remainder of equip for 28,000 man army will be issued.

d. Fourth phase (period after departure of occupation forces). Training of 28,000 man army will be completed and Army will be expanded toward treaty limit.

The success of this plan hinges on prompt stockpiling of the equip for the Aust Army, preferably under USFA control, and authority to issue equip as outlined above.

The success of the program as a whole will depend on the wholehearted and active follow-through of the Austs themselves as well as full cooperation and complete support of Western Allies.[5]

[5] In telegram P–4533, February 4, from Vienna, not printed, Keyes reported that the British and French High Commissioners had accepted the plan for the creation of an Austrian Army as outlined in this telegram. (CFM Files, Lot M–88, Box 152, Tripartite Conversations–Austria)

763.55/4–2750

The Secretary of Defense (Johnson) to the Secretary of State

TOP SECRET WASHINGTON, April 27, 1950.

DEAR MR. SECRETARY: General Keyes has submitted a plan for the creation of an Austrian Army to which the British and French High Commissioners in Austria have agreed in principle.[1] When finally approved, the plan is to be presented to the Austrian Government. General Keyes has requested Department of the Army approval in principle.

The key feature of the plan is the provision for the recruitment of 10,000 temporary gendarmes as soon as the Austrian treaty is signed.

[1] Plan outlined in telegram P–4463, *supra*.

These gendarmes would be organized into temporary units for training and then would be transferred to the Army as soon as the treaty comes into force upon its ratification. This part of the plan requires that equipment (principally individual arms and equipment, plus reduced amounts of organizational equipment) will be issued for training to the temporary *gendarmerie* units on memorandum receipt. The plan envisages the utilization for this purpose of a portion of the equipment to be stockpiled for the Austrian Army under the Mutual Defense Assistance Program pursuant to NSC 38/4, "Future Courses of U.S. Action With Respect to Austria." General Keyes stresses that the success of the plan hinges upon the availability of the equipment and the authority to issue it promptly when needed.

Approval in principal of the plan would involve a commitment to issue, as soon as a treaty is signed, a portion of the equipment which would, in accordance with NSC 38/4, be stored in Germany or Austria pending Congressional approval of a military assistance program for Austria. It should be apparent, however, that the main intent of the basic decisions in NSC 38/4 cannot be followed unless the CGUSFA is in position when a treaty is signed immediately to take action to build up the *gendarmerie* between signature and ratification of the Austrian treaty.

In view of these considerations, I recommend that you approve in principal the proposed plan to train an expanded *gendarmerie* prior to ratification of the treaty and specifically approve the proposal to issue, as soon as a treaty is signed, the necessary equipment on memorandum receipt to implement the plan.[2]

Sincerely yours, LOUIS JOHNSON

[2] Acting Secretary Webb, replying to Secretary Johnson's letter on May 16, wrote in part:

"The proposed plan to train an expanded *gendarmerie*, after signature but prior to ratification of the Austrian Treaty, and to issue on memorandum receipt, as soon as the Treaty is signed, the equipment necessary to implement the plan, meets with my approval. I assume, of course, that implementation of the plan will be completely coordinated with the British and French elements and that the Austrian Government will have previously indicated agreement." (Letter from Webb to Johnson, May 16, not printed, 763.55/4–2750).

763.5/7–650 : Telegram

The Secretary of State to the Embassy in the United Kingdom[1]

TOP SECRET WASHINGTON, July 8, 1950—4 p. m.

115. In light London's 78 July 5 and Paris' 96 July 6[2] London and Paris requested transmit invitations FonOffs to participate Wash

[1] Repeated to Paris as 110 and to Vienna as 34.

[2] Neither printed; the former reported that the Foreign Office expected Cabinet clearance for participation in the Washington talks in a few days; while the latter reported unconditional French agreement to participate. (763.55/1–550 and 763.5/7–650)

conversations Aust army to begin Aug 1. For urinfo this connection Gen Keyes reports that Winterton and Caccia [3] are reluctant proceed with plans Aust army. Bethouart [4] considers present lack progress dangerous and thinks US and Fr shld go ahead without Brit, if latter unwilling cooperate. Bethouart reported as cabling his govt urging representations to secure Brit cooperation. In view foregoing you are requested stress to FonOff importance we attach Wash conversations and, if any Brit reluctance to participate is encountered, to express our view that proposed mtgs cannot be further delayed. The necessity of tripartite cooperation in Vienna on detailed planning and implementation shld also be emphasized.

Top secret classification in which we consider subject matter and following additional factors shld be brought to attention FonOffs: (1) Formal conference with formal tripartite agreements not contemplated; (2) technical working group discussions are planned for purpose determining logistical support to be furnished by each of three powers; (3) questions of supply and finance will be considered; (4) detailed planning will be worked out in Vienna after completion Wash talks; (5) agreements reached will be recorded in exchange of memoranda; (6) presiding officer will be State representative below Asst Secy level. Other US members group will include political representation and probably 7 or 8 representatives MDAP and military. Top military rank will probably be Major Genl.

ACHESON

[3] Major General John W. Winterton, British High Commissioner and Commander in Chief; Sir Harold A. Caccia, British Minister in Austria.

[4] Général d'Armée Emile Béthouart, French High Commissioner and Commander in Chief.

763.5/7–1850

Memorandum by the Deputy Director of Military Defense Assistance in the Department of State (Ohly) to the Assistant Secretary of State for European Affairs (Perkins)

TOP SECRET [WASHINGTON,] July 18, 1950.

As you know, this office has approved and arranged the funding for a materiel program designed to furnish essential equipment for an Austrian security force if and when a peace treaty is consummated. This has resulted in the use of nearly 1/10 of our FY 1950 funds, which would otherwise have been used for North Atlantic Treaty programs. Moreover, it will result, as and when this program is carried out, in the immobilizing in EUCOM of about $100,000,000 worth of equipment, much of which is urgently required for other MDA

programs, including primarily those of the North Atlantic Treaty countries.

I would appreciate your review of the question of whether, in the light of Far Eastern developments,[1] the present status of Austrian Treaty negotiations and the general deterioration of relations between the East and the West, there should be a revision in our present plans for the equipping of an Austrian security force. It seems to me we are engaged in fantasy when we talk about the possibility of an Austrian Peace Treaty before we settle things generally with the Soviet Union or are at least in a position where the Soviet Union feels compelled by hard facts to enter into such a Treaty. I therefore believe that there should be an immediate examination of this subject with a view to determining (*a*) whether or not the equipment and the funds tied up in this Austrian stockpiling program should be redistributed to the NATO countries, or (*b*) whether or not the composition, and possibly the location, of this stockpile should be changed so that it would be immediately available for, and adapted to, meeting possible emergency requirements of Yugoslavia and Greece. If the second course were followed, we would obviously want to increase the amount of small arms, artillery and ammunition, and to cut down on such things as uniforms and general items of maintenance and equipment like tool kits, mess kits, shovels, etc. Any major revision of policy would, in the light of outstanding NSC directives, probably require NSC action.

In view of the impending negotiations with the British and French on this subject, I believe that if there is to be any possible change in our thinking, this fact should be known before these negotiations commence.

[1] For documentation on the North Korean invasion of South Korea, see volume VII, pp. 125 ff.

763.5/7–1850

Memorandum by the Assistant Secretary of State for European Affairs (Perkins) to the Deputy Director of Mutual Defense Assistance in the Department of State (Ohly)

TOP SECRET [WASHINGTON,] July 20, 1950.

Subject: Program for an Austrian Security Force.

I appreciate the financial and supply problems which you face with regard to stock piling for the future Austrian army outlined in your memorandum of July 18.[1] I believe, however, that the program for

[1] *Supra.*

stock piling and the earmarking of funds should continue as presently arranged in view of the following considerations:

1. The Department of Defense and the Joint Chiefs of Staff have consistently made clear both in NSC papers and in communications to the Department that U.S. troops will not be withdrawn from Austria until an Austrian army is trained, equipped and in being, and prepared to undertake the task of maintenance of internal security. The implementation of this policy, as you know, led to the agreement to proceed with stock piling for the Austrian army. I am not aware of any desire on the part of the Joint Chiefs or Defense to change this policy in the light of the supply situation in the United States or the military requirements for the NAT program.

2. The stock piling program is necessary in order that we may be prepared for any eventuality in the political field such as a Soviet move to conclude the Treaty or any other move which may be utilized to secure the withdrawal of troops in Austria in the absence of Treaty agreement. If such a move were made the U.S. could not implement the policy laid down in the NSC decisions, in absence of implementation of the current security preparations. While I agree with you that at this moment is may be unrealistic to speak of the conclusion of the Austrian Treaty, we must nevertheless be prepared for alternative developments in the European scene.

3. Instead of abandoning the stock piles in the Austrian program I suggest that it might be possible to reevaluate these programs in terms of the current situation with a view to making materiel available for such emergency use as may arise, as for example emergency requirements for Yugoslavia and Greece or for the needs arising in EUCOM and the NAT program. For that reason I agree with you that we should concentrate on small arms artillery, ammunition, and any other items which lend themselves to common use in the several areas referred to, leaving items such as uniforms, tool kits, etc., designed exclusively for use in Austria either for future procurement or for manufacture in Austria. I do not believe that emergency use of the items earmarked for Austria would require NSC action so long as the principle of a stock pile for Austria is maintained in conformity with the NSC decision and some basic supplies are retained for speedy use in Austria in the event the need for their use should arise.

4. I consider that the impending negotiations with the British and French on this subject should be pursued in order to associate the British and French with the U.S. officially in this project and to secure the maximum contribution which they can make to the Austrian program without interference to their NAT programs. It is highly important that the program for Austrian security be based on mutual agreement and that it not be the sole responsibility of the U.S. The entire question of the organization of the future Austrian army, the

preliminary training program for the *gendarmerie* and the possibility of future equipment has been discussed with the top Austrian officials. Any move on our part now to abrogate this program or to limit it in any major fashion would give the Austrians the unfortunate impression that we have lost interest in them in a military sense. Postponement of the talks would also tend to encourage the British and, to a lesser extent, the French to reduce their security commitments in Austria and put the full burden of occupation and military security on the U.S.

5. If agreement to make emergency use of the Austrian stock piles would require a change in the location of the stock piles inconsistent with the NSC decision, it is probable that NSC reconsideration would be required. This question should be investigated and appropriate recommendations made, however, before any decision is made for referring the question to the NSC.

CFM Files : Lot M-88 : Box 152 : Briefing Book–Military Planning

Memorandum by Mr. Edgar P. Allen of the Office of Western European Affairs [1]

TOP SECRET [WASHINGTON, July 24, 1950.]

Subject: Austria's Internal Security

Problem:

To give tripartite consideration to certain phases of planning with respect to Austria's internal security.

Background:

One of the major problems involved in the conclusion of the Austrian Treaty concerns the question of internal security in Austria during the period immediately following the withdrawal of the occupation forces. Article 33 of the draft Treaty provides that all occupation forces will be withdrawn within 90 days after the Treaty comes into force. Article 17 of the draft Treaty would limit Austrian armed forces to a land army, including *gendarmerie*, with a total strength of 53,000, and an air force of 90 aircraft with a total air force personnel strength of 5,000. From the strategic viewpoint, the Joint Chiefs of Staff have stated that withdrawal of the occupation troops before Austria can organize, train and equip reasonably adequate security forces would create a vacuum in Central Europe in which the Communists, following their common practice, may be

[1] The source text was an attachment to a memorandum from Williamson to Perkins, dated July 28, not printed, which indicated that it had been prepared as the basis for the United States position in the tripartite talks and had been cleared by the Department of Defense. (CFM Files, Lot M-88, Box 152, Tripartite Conversations–Austria)

expected to seize power and dominate the country, thus creating a Soviet salient in the East-West line.

Austria's internal security is guaranteed at the present time by the presence of U.S., French, British and Soviet occupation forces. Austria is not now permitted to maintain any armed forces of her own. It is considered essential, both militarily and from the standpoint of U.S. foreign policy, that arrangements be made in advance of the conclusion of the Treaty for the organization and training of an Austrian army which will be adequate to assure the country's internal security following the withdrawal of the occupation forces.

U.S. Action:

The President on November 18, 1949, approved the conclusions specified in NSC 38/4 as follows:

"6. The United States should insure, by all appropriate measures prior to the withdrawal of occupation forces, that the Austrian armed forces are reasonably adequate to maintain internal security.[2]

. . . . . .

11. In any event the United States should take the following steps immediately:

a. Continue efforts to obtain agreement by the United Kingdom and France to assume their share of the mutual responsibility for the internal security of Austria.[2]

. . . . . .

c. Program equipment for Austria under the Military Assistance Program with a sufficiently high priority to insure the availability of essential equipment for an Austrian army by coming into force of the treaty.

d. Ship equipment programmed for Austria to Austria and/or Germany for storage and retention there under U.S. Control."

The U.S. High Commissioner for Austria has stated that the full Treaty limit army of 53,000 will be required to insure internal security. The Austrian Government considers that from one to two years would be required to organize, train and equip such an army. Realizing that a lesser force must be constituted initially, the U.S. High Commissioner has recommended an initial army of 28,000, which can be recruited as soon as the Austrian Government is given authority to do so.

The Departments of State and Defense have approved in principle the plans formulated by General Keyes for the formation of an Austrian army. These plans involve the training of an expanded *gendarmerie*, after signature but prior to ratification of the Treaty, and the issuance on memorandum receipt, as soon as the Treaty is signed, of the equipment necessary to implement the plans. General Keyes has been instructed to coordinate the implementation of the plans with the

[2] The following omission in the source text.

British and French elements in Vienna and to secure the agreement of the Austrian Government prior to the implementation thereof.

A program of military assistance for Austria has been approved by the FMACC; the necessary allocation of funds and contract authority has been obtained; supply action has been initiated; and stockpiling of certain equipment in the program has begun.

Tri-partite Considerations:

A constant effort has been made during the past year to obtain British and French agreement to assume their share of the mutual responsibility for Austria's internal security in the post-Treaty period. However, the exact extent or effectiveness of British and French participation in the program remains to be determined.

It is believed by us to be preferable that particular categories of arms and equipment for the Austrian army be furnished from a single source in order to avoid difficulties in maintenance, supply and training. Tangible British and French assistance is desired, however, and it is believed that such assistance could be rendered initially by the transfer to the Austrian army of suitable types of supplies and equipment from the British and French Zones in Austria. It is essential that the exact contribution to be made by each of the three Western Powers be determined at an early date.

An official request was sent to the British and French Governments on July 22, 1949, for information on the assistance which they could give to the fulfillment of the Austrian military program. The British Government replied that it considers the equipping of the Austrian army a U.S. responsibility. Mr. Bevin informed the Secretary of State on September 15, 1949, that he would inquire into the possibility of leaving surplus British equipment for the Austrian army following the withdrawal of the occupation forces. No further information has been received on this point and no estimate as to the amount of such equipment which might be available has thus far been provided.

The British Government has indicated its willingness to equip and train an Austrian air force and has stated that the required training could take place outside of Austria. The British have further stated that they will provide the equipment and ground and supporting materiel necessary for the operation of an Austrian Air Force, adding that it has not yet been determined whether such equipment and materiel will be furnished on a grant basis or in the form of a loan. The British have assured the American Ambassador in London that the U.S., and in particular U.S. representatives in Vienna, will be furnished complete and current information concerning U.K. planning for this phase of the Austrian security problem.

The French Government has informed us that it is in full agreement with the principle of joint U.S., U.K., and French responsibility for

500-421—80——32

the internal security of Austria after the Treaty becomes effective. The French Government stated that, while it is prepared in principle to make its contribution to equipping an Austrian army, payment or replacement must be obtained by France for any equipment turned over to the Austrians. It was added that, while it might be possible for the French occupation forces to leave certain items, particularly light weapons, when they withdraw from Austria, arrangements would have to be made to replace any items so left.

The British and French Governments have been invited to participate in conversations to take place in Washington beginning on August 3 for the purpose of discussing the foregoing matters. It is our view that these talks should be governed by the following considerations: (1) formal conversations with formal tripartite agreements are not required; (2) technical working-groups discussions are planned for the purpose of determining the logistical support to be furnished by each of the three Powers; (3) questions of supply and finance will be considered; (4) detailed planning will be worked out in Vienna after completion of the Washington talks; and (5) agreements reached will be recorded in an exchange of memoranda.

Recommendations:

It is recommended that the following principles be agreed upon to serve as guidance for U.S. representatives at the forthcoming Washington meetings:

1. This Government should provide complete information concerning U.S. planning thus far developed for the creation of an Austrian army.
2. British representatives should be requested to furnish complete information concerning British plans for the creation of an Austrian air force.
3. The principle of tri-partite planning in Vienna should be agreed upon.
4. The continued readiness of the three Governments to exchange information concerning the progress of their planning, both on a Governmental level as well as in Vienna, should be expressed in the memorandum of agreement.
5. An effort should be made to obtain from both the British and French firm commitments concerning the exact contributions which they are in a position to make toward equipping an Austrian army, including their plans for the furnishing of such equipment without cost to the United States.
6. The memorandum of agreement should specify the respective responsibilities of the three Powers, including the assumption of responsibility by the British to equip and train an Austrian air force without cost to the United States.

A proposed agenda for the meetings and a statement of the basic position of the Department of Defense are attached.

[Attachment 1]

Proposed Agenda for Washington Tripartite Talks on Austria's Internal Security

TOP SECRET [WASHINGTON, undated.]

I. Political aspects of the problem of Austrian security including existing agreements between the Governments concerned.

II. Problem of Austrian security as a basis for detailed planning.

III. U.K. plans for training and equipping the Austrian Air Force and for logistical support of the Austrian army.

IV. French plans for logistical support of the Austrian army.

V. U.S. plan for training and equipping the Austrian army.

VI. Current status of the procurement program.

VII. Agreement on principles and the broad program of types and amounts of equipment each nation will furnish.

[Attachment 2]

Basic Defense Department Position for the Washington Tripartite Talks on Austria's Internal Security

TOP SECRET [WASHINGTON, undated.]

U.S. EYES ONLY

1. British or French contributions should not result in burdening the Austrian Army with heterogeneous types of equipment.

2. Each government making a contribution with respect to any item or items should undertake to supply the total Austrian requirements for each such end item, its spare parts, and auxiliary equipment.

3. British and French contributions to the equipment of the Austrian Army should only be made if they do not involve additional cost to the United States or require reimbursement by the Austrians.

4. French and British contributions to Austria should not result in any substantial impact on their MDAP requirements.

5. Any British assistance for the Austrian Army should not result in a reduction of the amount of equipment which Britain should supply in connection with the organization of the Austrian Air Force.

6. Any deviation from British responsibility for equipping the Austrian Air Force and U.S. assumption of part of all of the Air Force equipment responsibility will require a JCS decision.

Editorial Note

The Washington Tripartite Conversations on Austria's internal security consisted of three plenary sessions, August 3, 9, and 11, and

four working party meetings. At the first plenary the proposed United States agenda (Attachment 1 to Allen's memorandum, *supra*) was adopted and working parties for the Austrian army and air force were established to report to the plenary. At the second plenary the initial reports on the army and air force were considered and referred back to their respective working parties for coordination and revision, and a committee for drafting the final report on the conversations was appointed. At the final plenary the revised air force report was accepted and the revised army report amended before adoption. The final report (*infra*) was adopted *ad referendum* to each government.

Texts of the various reports and revisions, delegation lists, and summary and verbatim minutes are in CFM Files, Lot M-88, Box 152, Tripartite Conversations-Austria.

CFM Files : Lot M-88 : Box 152 : Tripartite Conversations-Austria

Final Report of the Representatives of France, the United Kingdom, and the United States on the Conversations on Austria's Internal Security

TOP SECRET WASHINGTON, August 11, 1950.

Doc. 6 Revision 1 [1]

Pursuant to instructions the representatives of the Governments of France, the United Kingdom, and the United States met in Washington during the period August 3 to 11, inclusive, for the purpose of giving consideration to certain technical aspects of the problem of Austria's internal security in the period following withdrawal of the occupation forces. The results of these conversations are summarized below:

1. The Three Delegations reaffirm the mutual concern and responsibility of their Three Governments in ensuring, with the cooperation of the Austrian Government, that there are in existence by the time Allied troops withdraw adequate security forces to maintain internal order in Austria in conformity with the existing Western policies toward Austria.

2. Until consultation and coordination with the Austrian Government is possible, plans must necessarily remain tentative and subject to adjustment, particularly by the representatives of the Three Governments in Austria. However, in order to provide for the contribution of the Three Governments toward the above objective, a beginning has been made and the current working plans previously drawn up were discussed by the Delegations with a view to providing for an Austrian Army and Air Force at the required time.

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[1] A copy of Doc. 6, dated August 10, the first draft of the Final Report, is in CFM Files, Lot M-88, Box 152, Tripartite Conversations-Austria.

3. The basis for the work of the three Delegations as regards the Austrian Army was the over-all plan which had been drawn up by the United States representatives together with certain French proposals relating to Austrian ground forces. The United States plan in turn was based on the agreement which has been reached by the three representatives in Vienna that the initial strength of the Army should be 28,000 men. The United States Delegation communicated to the other Delegations lists of equipment required by this force.[2] A working party for the Army was appointed to give detailed consideration to this plan and the contribution which each Government might be able to make. The report of this working party is attached as Doc. 5, Rev. 1. The conclusions and recommendations of this report were adopted by the three Delegations. The three Delegations also recommend that the training of the *gendarmerie* reserves on which agreement has also been reached by the three Western representatives in Vienna should be continued as rapidly as possible.

4. As is pointed out in the conclusions of the Army Working Party, it was agreed that, for military reasons, it would be more satisfactory if the United States provided all the equipment for the Austrian ground forces. There is agreement that this equipment must be readily available at short notice so that it can be issued to the Austrian forces as soon as conditions permit. The United States plan, therefore, calls for immediate stockpiling. It is the United States view that all equipment required for the Austrian Army, including any French and British contributions which may be decided upon as a result of later review, should be stockpiled immediately. The French and British Delegations agree that there should be consultation among the Three Governments regarding the stockpiling at an appropriate time of any contributions which they may make.

5. The basis for the work of the three Delegations as regards the Austrian Air Force was the over-all plan drawn up by the British Air Ministry, a copy of which, together with information concerning equipment required by the Austrian Air Force to the extent available was communicated to each of the other Delegations.[2] A working party for the Air Force was appointed to give detailed consideration to this plan and the contribution which each Government might be able to make. The report of the Air Working Party is attached as Doc. 4, Rev. 1. The conclusions and the recommendations of this report were adopted by the three Delegations.

6. It was agreed that the Air Force plan is not at present in sufficient detail to determine the source from which equipment should be provided. It is recommended, therefore, that the plan for the Air Force should be accepted only as a basis for further detailed planning

[2] Not found in Department of State files.

which should be undertaken at an appropriate time by the Three Governments. Such detailed plans when agreed upon should be kept under constant review as part of which a decision must be taken in due course as to the initiation of stockpiling.

7. The views of the respective Governments with regard to the financial aspects of the Austrian program were stated as follows:

(*a*) The French Government, taking into consideration the burden of its own military program, feels that the supply by France to the Austrian Government of light armament and equipment and training of Austrian military personnel in France should not involve any additional burden on the French Treasury.

(*b*) The representatives of the United Kingdom reserve the position of their Government as regards the financial arrangements for the military assistance which the United Kingdom is prepared to make available to Austria. They state that, while His Majesty's Government does not at the present time foresee the provision of military assistance without repayment to countries outside the North Atlantic Treaty Organization, they would be prepared to reconsider the position were Austria to become associated with that Organization at a later date.

(*c*) It is the position of the United States Delegation, in view of the limited financial resources of the Austrian Government and that country's strategic position with respect to the security and defense of Western Europe, that military assistance should be on a grant basis. The United States Delegation takes note of the position of the British and French Delegations that the military assistance which might be rendered by them to the Austrian Army and Air Force depends upon the making of special financial arrangements. The United States Delegation desires to record the fact that it does not accept a position which in effect conditions military assistance by the United Kingdom and France to Austria upon completion of special financial arrangements. The United States Delegation believes that the strategic location of Austria makes it of direct importance to the defense of the North Atlantic area and that Austria's increased ability to defend itself contributes to the preservation of the peace and security of the North Atlantic area. Therefore, the principle of self-help and mutual aid incumbent upon the signatories of the North Atlantic Treaty is clearly applicable to the furnishing of military assistance to Austria by the Governments of the Three Delegations.

8. Implementation of these plans depends on (*a*) close coordination among the representatives of the Three Governments in Vienna and (*b*) the cooperation of the Austrian Government. This involves political as well as technical considerations. The Three Delegations recommend that the Three Governments consider the despatch of instructions to the Western representatives in Vienna in accordance with the plan agreed among them, i.e., the three representatives would (1) present the general plans to the appropriate representatives of the Austrian Government and secure their agreement; (2) exert continu-

ing pressure upon the Austrian Government (*a*) to obtain agreement of the leaders of the two major political parties to the proposed organization, (*b*) to build up the necessary *gendarmerie* reserve, (*c*) . . . to prepare necessary legislation, (*d*) . . . to prepare plans for the provision of funds, and (*e*) . . . to initiate and develop plans covering recruitment, training, control, pay, and so forth; and (3) otherwise concert in the implementation of the agreed plan, including the phased program therefor and the continuance of the training of the *gendarmerie* reserve as rapidly as possible.

9. It is agreed that there should be a continuing exchange of information concerning the progress of planning and the implementation thereof.

10. It is recomemnded that the views of the Three Governments with respect to the foregoing be communicated to each of the other Governments through diplomatic channels.

[Attachment 1]

Report of the Tripartite Army Working Party

TOP SECRET WASHINGTON, August 10, 1950.

Doc. 5 Revision 1

1. The Army Working Party has noted the United States plan for a tentative troop basis for programming equipment for an Austrian Army, and has studied the list of equipment based thereon. It has been further noted that a tentative 28,000-man troop basis has been accepted by the three Western representatives in Vienna as a basis for an initial Austrian Army. The Army Working Party accepts the plan for the creation of the Austrian Army as accepted by the High Commissioners.

[Here follow paragraphs 2 through 4, in which were listed equipment and services that the Austrian Army would provide for the Air Force, and arms which the British and French could provide.]

Conclusions

5. It is recommended that the plan agreed upon by the three Western representatives in Vienna for the creation of an Austrian Army of an initial troop basis of 28,000 men, and the equipment lists therefor, should be approved by the Governments.

6. The United Kingdom could provide Bren Guns and Cal. .303 Rifles and the ammunition and maintenance therefor, for the Austrian Army and Air Force. The estimated cost to the United Kingdom would be approximately £250,000. The estimated reduction in the United States program would be approximately $944,600.

7. France might provide:

Binoculars
Guns, sub-machine, 7.65 mm. French
Pistols, 7.65 mm. French
Mortars, 60 mm.
Mortars, 81 mm.

including the ammunition, maintenance and replacement therefor. The estimated cost to France would be approximately 312 million francs ($900,000) not including binoculars. The estimated reduction in the United States program would be approximately $1,407,500. The estimated United States cost of the binoculars is $387,260.

8. After consideration of the provision for the Austrian Army of certain types of equipment by each of the Western powers, it was apparent that certain advantages would devolve from such a coordinated supply effort. Nevertheless it is concluded, in the light of purely military considerations, that the provision of all Austrian Army equipment by a single nation would greatly simplify the stockpiling and continuing provision of equipment for the Austrian Army as well as supply and training within the Austrian Army itself. In arriving at this conclusion particular attention was paid to the problem of ammunition and parts resupply.

9. The United States should provide all the Austrian Army requirements based on the tentative 28,000-man troop basis. The estimated cost is $74,017,681 of which $67,412,830 is for materials.

10. When the list of ground type, Army procured equipment for support of the Austrian Air Force is available, this equipment should be provided by the United States.

11. Services and supplies as agreed in paragraph 2 above should be provided the Austrian Air Force by the Austrian Army.

12. The Horsching Air Base (Camp McCauley) will be required by the United States forces until completion of phase-out by those forces at which time Horsching Air Base will be considered for planning purposes as available for the Austrian Air Force.

Recommendation

13. That the above conclusions be approved.

[Attachment 2]

Report of the Tripartite Air Force Working Party

TOP SECRET WASHINGTON, August 9, 1950.

Doc. 4 Revision 1

The Air Force Working Party appointed to review and comment upon the British plan for the establishment of an Austrian Air Force agrees that the plan establishes general broad principles upon which

an Austrian Air Force, within treaty limitations, can be built. The plan provides for a separate Air Force which would receive considerable support from the Austrian Army.

The proposed organization is balanced to provide a tactical force of three fighter squadrons backed by a training organization and an administrative flight. Further, this force would be capable of expansion should Austria at a later date be permitted a larger Air Force.

It may be considered desirable to have additional squadrons, but this could only be accomplished at the expense of the training organization. It is considered, however, that initially it would be preferable to aim at forming only three squadrons and at some later date decrease the aircraft allotted for training in order that additional squadrons may be formed. In view of this the plan establishes the following size and strength organization:

Tactical Units

1 F/FB Squadron	12 Aircraft
1 F/FB Squadron	12 Aircraft
1 TAC/R Squadron	12 Aircraft

Flying Training School

Elementary Type Trainers	11 Aircraft
Advanced Trainers	22 Aircraft
Administrative and Training	4 Aircraft

Personnel

Officers	176.
Airmen	2,000.

One of the fundamentals upon which the air force plan is based is that of support from the army. Generally, the army is charged with the responsibility for procurement of items of equipment common to both forces as well as certain services.

The Air Force Working Party in coordination with the Army Working Party have agreed that for planning purposes the Austrian Air Force will accept the following responsibilities:

(*a*) Road transportation
(*b*) Daily maintenance of airfields and buildings
(*c*) Guarding of crashed aircraft
(*d*) Supply of aviation fuel and lubricants
(*e*) First, second and third echelon MT repairs
(*f*) All signals communications within Air Force installations
(*g*) Airfield, ground and anti-aircraft defense
(*h*) Supply of common-user equipment where the Air Force is the major user
(*i*) The provision of personnel for the construction of Air Force communications channels outside Air Force installations
(*j*) The provision of Air Force personnel for the maintenance, storage, and guarding of Air Force ammunition at Army ammunition depots.

[Here follow a list of materials and services which the Austrian Army would provide for the Air Force and the logistic and administrative plans and timetables necessary for implementation.]

Conclusions

1. The plan is an adequate basis for further detailed planning but, other than for availability of aircraft and spare parts, does not provide a basis for determination of the source from which these requirements can best be met.

2. Horsching (near Linz) provides an economical and adequate Air Force Base and should be available after the phase-out of United States forces.

3. The size of the transport aircraft flight is insufficient to provide any effective air transportation.

4. The plan is provisional. Protracted delays in the peace treaty and/or other commitments will require a re-evaluation of resources; therefore stockpiling is not contemplated.

5. In view of the limited size of the Austrian Armed Forces, the plan for the provision by the Austrian Army of certain common-user items and services as agreed between the two working parties is basically sound.

6. An effective Austrian Air Force will not be available at the time the treaty comes into force. For planning purposes the Austrian Air Force should be available within fifteen to eighteen months from the date the treaty is ratified.

7. Certain items of supply are not immediately available from United Kingdom sources and may entail long-term procurement from British industry. Major items include signals and radar equipment, air force mechanical transport, and major aircraft spares.

8. While the plan indicates that the Austrian Air Force will cost £2½–3 million, it is not clear whether this cost does, or does not, include provision of services and materiel by the Army.

Recommendation

That the Tripartite Working Party accept the above conclusions and take note further detailed planning and coordination are required.

763.5/10–1150 : Telegram

The Secretary of State to the Embassy in the United Kingdom [1]

TOP SECRET WASHINGTON, October 11, 1950—12 noon.

1850. Re Dept instrs 51 London, 86 Paris, and 29 Vienna, Aug 18,[2] transmitting Final Report Aug working group discussions Aust secu-

[1] Repeated to Paris as 1861 and to Vienna as 668.
[2] None printed.

rity forces, London and Paris requested inform FonOffs that US Govt has adopted report[3] and its recommendations and will regard them as constituting official tri-partite agreement upon receipt similar notification from Brit and Fr Govts. In consequence thereof US will provide on grant basis equipment for ground forces initial strength 28,000 and is prepared initiate necessary administrative action required by Sec 408*c* MDAA, as amended,[4] including required consultation with NAT countries.

London requested emphasize to FonOff view this Govt that all mil assistance Aust shld be on grant basis (see Para 7 final report) and urge UK agreement equip and train Aust air force without reimbursement. We consider it essential, in light Brit acceptance mutual responsibility Aust security post-withdrawal period, that UK bear this financial burden. If UK not willing assume financial burden involved, this Govt will wish give further consideration to basic question assignment responsibility for air force. Early and affirmative UK decision this point will therefore be appreciated, particularly in light tie-in this problem with over-all US defense requirements.

US plan Aust army (P–4463 Feb 1/50 from Vienna, Dept's A–268 Aug 23 to London, copy to Paris[5]) previously agreed by three West HICOMs in Vienna. UK and Fr Dels Aug conversations, perhaps because lack instrs and fear leaks and possible Sov reactions, were hesitant recommend (1) acceptance non-technical features US plan including first and second phases thereof, (2) immediate implementation including discussion with Austs to develop firm plans and obtain Aust agreement accept required responsibilities and (3) sustained tripartite pressure on Aust Govt to carry out its part of program. Vienna reports this connection (Legtel 524 Sep 22[6]) that Brit and Fr Legs Vienna concur in Final Report and are recommending early action by their Govts.

This Govt feels strongly that implementation agreed plan must begin now in order assure that army will be in being and prepared to function when occupation troops withdraw. Such action necessary to preclude possibility creation mil vacuum which Sovs wld almost certainly take advantage of to obtain political domination. Foregoing action required to meet contingency fol any agreed withdrawal oc-

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[3] On August 28 Secretary Acheson had written to Secretary Johnson, recommending acceptance of the final report. Johnson concurred with this recommendation on September 16 and in view of the reluctance of the British to make definite commitments with regard to the Austrian Air Force, informed Secretary Acheson that he was directing the Joint Chiefs of Staff to prepare a plan for United States training and equipping of the initial increment of the air force. (763.5/8–2650 and 9–1650)

[4] For the text of section 408*c* of the Mutual Defense Assistance Act as amended on July 26, see 64 Stat. 376.

[5] P–4463, p. 476; A–268, which transmitted the text of P–4463, is not printed.

[6] Not printed; in it Legation Vienna reported its concurrence and that of the British and French Legations with the final report. (763.5/9–2250)

cupation forces whether withdrawal results from conclusion Treaty or otherwise.

Participation Aust Govt required at this time if West assistance is to be effective. In light Aust fear Sov reaction and distrust between major pol parties, it is our view that Aust participation can be obtained only by means tripartite pressure on Govt to accept agreed plan. Continued Aust participation can be achieved only by united and sustained effort by West Govts and their representatives in Austria. We are fully conscious risks Sov reaction, but consider risk unpreparedness greater. These factors taken into acct in US plan and of course every discretion shld be observed in carrying it out.

In consideration above urge that Brit and Fr agree to early dispatch instrs to three HICOMs along fol lines:

1. Final Report, including recommendations, tripartite working group Aust army dated Aug 11/50 adopted by West Govts. You will accordingly be guided by provisions this report to extent they concern ur responsibilities.

2. US, Brit and Fr Govts having accepted mutual responsibility for assuring existence by time occupying forces withdraw Aust security forces adequate maintain internal order, you shld:

a. Cooperate freely and actively with other West representatives in further development and implementation plan Aust army to extent feasible this time in accordance phasing program provided therein. Implementation phase one (period prior to signing Treaty) shld be vigorously pursued with particular reference to training expanded *gendarmerie* reserve rapidly as possible;

b. In concert with ur West colleagues, approach appropriate elements Aust Govt with view securing agreement to plan. Every effort shld be made resolve differences between major polit parties this subj and continuing pressure exerted upon Aust Govt to build up *gendarmerie* reserve and . . . to prepare required legislation, make provision for funds and initiate and develop plans covering recruitment, training, control, pay, etc.

3. The greatest degree of discretion shld be exercised by you and ur West colleagues in negotiations with Austs and in otherwise implementing agreed plan. All precautions possible within framework plan shld be taken with view minimizing Sov reaction and avoiding retaliation against Aust Govt or other adverse effects in Austria, in Allied Council or in Treaty negotiations.

4. You will keep ur Govt currently informed concerning the progress of the agreed program.

5. Plans for the creation of Aust air force are still under consideration by the three Govts and further info in regard thereto will be transmitted to you when agreement is reached.[7]

ACHESON

[7] In telegrams 2063, October 7, and 2190, October 13, neither printed, Embassies Paris and London reported that they had informed the Foreign Ministry and Foreign Office that the United States had adopted the final report and urged that instructions along these lines be sent to the Western High Commissioners (763.5/10-1350 and 1750).

763.5/11-250 : Telegram

The Ambassador in the United Kingdom (Douglas) to the Secretary of State

TOP SECRET LONDON, November 2, 1950—6 p. m.

2552. Deptel 1850, October 11, repeated Paris 1861, Vienna 668 and Embtels 2190, October 13 and 2324, October 23.[1]

1. Following text *aide-mémoire* re Austrian security forces which Gainer [2] handed Embassy officer this morning:

"(A) His Majesty's Government confirm their desire to make such preparations as are necessary to ensure that Austria armed forces are equipped with minimum delay after ratification of treaty. They consider, however, that in making these preparations three governments should bear in mind special need for security precautions in country where Russians are in part occupation.

(B) His Majesty's Government note that:

(I) They will undertake equipping of Austrian Air Force. They may, however, ask United States Government to provide Harvards for advanced training since they are short this type aircraft.

(II) Horsching air base will be made available to Austrian Air Force on formation.

(III) United States Government will provide "common user" material. Air Ministry representatives will discuss details this question with United States military authorities in Washington.

(IV) United States Government will be responsible for equipping Austrian Army.

(C) In spite of American request that military assistance to Austria should be on grant basis, His Majesty's Government are unable to modify view expressed by their representative at tripartite talks. They do not at present foresee provision of military assistance without repayment to countries outside NATO but would be prepared to reconsider financial aspect of equipping Austrian Air Force were Austria to become associated with that organization at later date.

(D) His Majesty's Government agree that general plan for equipping Austrian Armed Forces should be presented to Austrians and that latter should be pressed to overcome any party differences and to agree to it with least possible delay. They consider however that representatives in Austria of three western allies should not confide in Austrian Cabinet as such, but that plans should be communicated in greatest secrecy to Chancellor, Vice Chancellor and Minister Foreign Affairs [3] only.

(E) His Majesty's Government agree that necessary *gendarmerie* reserves should be built up and trained, but emphasize that greatest

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[1] Telegram 1850, *supra;* telegram 2190, not printed, but see footnote 7, *supra;* telegram 2324, not printed.

[2] Sir Donald St. Clair Gainer, Joint Permanent Under Secretary of State for Foreign Affairs (German Section), British Foreign Office.

[3] Dr. Leopold Figl, Dr. Adolph Schaerf, and Dr. Karl Gruber.

care should be taken to avoid doing this conspicuously in west zones in case Russians require a proportional increase in *gendarmerie* force in their own zone.

(F) His Majesty's Government consider that from security point of view it would be highly improper for Austrians to be asked covertly to plan for provision of funds for recruitment, training, control, pay, et cetera. In other words Austrians should not be made cognizant of our plans at Departmental level since such procedure would render leakage to Russians almost inevitable."

2. In reply Gainer's request for comment, Embassy officer expressed disappointment that UK still unwilling to furnish equipment on grant basis and at narrow interpretation British place on obligations NAT members, citing in this connection factors outlined paragraph 7 (*c*) final tripartite report. Gainer said that at Foreign Office request, Treasury had reviewed grant question at length but was still of opinion that UK could not undertake sterling obligations in Austria. He trusted, however, that this condition would not delay implementation of plan. Embassy officer replied that he could give no assurance on point and indicated that United States Government would probably wish to give further consideration question of assignment responsibility for air force in light British attitude.

3. Gainer stated that subject to reservations contained therein *aide-mémoire* should be regarded as formal British acceptance tripartite report and recommendation.

4. Gainer stressed need for utmost discretion in technical discussions with Austrian re-implementation of plan, and reiterated earlier suggestions that Austrian representatives be "well-screened" and that talks should be held US military headquarters in US occupation zone. He also proposed that any detailed consideration of necessary Austrian legislation should take place there. Embassy officer agreed to request Department's views on these suggestions on urgent basis.

5. Gainer said French Embassy representative had not mentioned points Quai d'Orsay had raised with Paris Embassy when he was given copy *aide-mémoire* yesterday afternoon (Paris 2338, October 30 repeated London 564, Vienna 64 [4]). In Gainer's opinion question of legality agreement entered into by Figl, Gruber and Schaerf was matter for Austrian Government itself to determine, while question concealment stockpiled equipment was technical detail which could be worked out at later stage.

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[4] Not printed; it reported that the French Government had not yet approved the tripartite final report and that the French Foreign Ministry advanced the following reasons as considerations for the delay: (*a*) question of Austrian security, (*b*) "question of whether agreements entered into only by Figl, Gruber and Schaerf 'as individuals' would be sufficiently official," and (*c*) question of concealing stockpiling for the future army. (763.5/10–3050)

6. At conclusion discussion Gainer expressed hope that it would be possible to agree on instructions to HICOM with minimum delay since British as desirous as we are to proceed with implementation of plan.

Sent Department 2552; repeated info Paris 775, Vienna 70.

DOUGLAS

763.5/11-250 : Telegram

The Secretary of State to the Embassy in the United Kingdom [1]

TOP SECRET WASHINGTON, November 14, 1950—8 p. m.

2519. Embtel 2552, Nov 2. Disappointed Brit unwillingness provide equipment Aust Air Force without repayment. In light Brit position this Govt is now preparing plan and program for equipping and training initial increment Air Force, details of which will be submitted Brit and Fr at appropriate time. In meantime we consider it essential that program for Aust Army proceed in accordance tripartite plan to which there was general Brit and Fr agreement at Aug mtgs.

The Fr suggestion (Paris' 2578 Nov 8 [2]) that Austria request AC permission make preparations for Army is believed constitute unrealistic approach. Mil activity of any kind by Austria is presently prohibited by AC decision Dec 10, 1945. It has in past been view Gruber with which we agree that it wld be a mistake to raise this question with Sovs. If Sovs shld refuse permission any further Aust activity this subj wld be most difficult and put Austria in impossible position of taking action in direct contravention expressed Sov views. Of even greater concern wld be possibility that Sovs might agree to Aust request and logically demand right to participate in supervision program thus providing Sovs excellent opportunity sabotage entire program and preclude any possibility of West gaining any advantage therefrom.

Points raised by Brit relate to admin details which in our view cld best be worked out by representatives three Powers Vienna in consultation with Aust Govt leaders to extent required. We have same concern as Brit and Fr concerning security as stressed Deptel 1850 Oct 11 but believe it involves calculated risk which West must be prepared take. If Brit or Fr have any specific changes which they feel are required in proposed tripartite instr in order to more accurately reflect their views, Dept wld be plsd consider their recommendations.

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[1] Repeated to Paris as 2620 and to Vienna as 914.
[2] Not printed.

Wld appreciate expedition Brit and Fr concurrence in order that coordinated instrs this urgent matter may be dispatched HICOMs early date.[3]

ACHESON

[3] On November 21, Embassy London reported that the substance of this telegram had been conveyed to Gainer who said he would study the proposed tripartite instruction further. Telegram 2990, November 21, from London, not printed (763.5/11-2150).

863.501/12-750

Memorandum of Conversation, Prepared in the United States Legation in Austria[1]

TOP SECRET

VIENNA, November 29, 1950.

Present: Ambassador Donnelly
Sir Harold Caccia
Minister Payart
Mr. Dowling
Mr. Cheetham
Mr. Maillard
Chancellor Figl
Minister Helmer
State Secretary Graf[2]

Ambassador Donnelly informed those present that the US Element was prepared to issue arms and equipment to the Austrian *gendarmerie* as agreed upon in previous conferences between the Western High Commissioners and the Austrian government provided two conditions were met: (1) A *gendarmerie* battalion were set up in each of the three western zones; (2) There should be appointed a battalion commander, deputy commander and official qualified to sign for and be responsible for the use of the equipment in each of the three Western zones.

Sir Harold Caccia said that the British element was as eager as the US element to start this program at the earliest opportunity. His only reservation, which he felt was shared by the other elements as well as by the Austrian government, was that it must not appear as though a quadripartite agreement had been openly violated.

[1] The source text was transmitted as enclosure 1 to despatch 522, December 7, from Vienna, not printed (863.5/12-750).

[2] Walter J. Donnelly, United States High Commissioner for Austria with the personal rank of Ambassador; Jean Payart, French High Commissioner for Austria; Walter C. Dowling, United States Counselor of Mission; Nicolas J. A. Cheetham, British Counselor of Mission; Pierre Maillard, French First Secretary of Mission; Oskar Helmer, Austrian Minister of the Interior; Ferdinand Graf, Austrian Secretary of State of the Interior.

Minister Payart, while agreeing in principle with the program and with Sir Harold's reservations, felt unable to agree formally prior to the receipt of detailed instructions from his government.[3]

Chancellor Figl said he was in complete agreement with the program. The Austrian government, too, was eager to obtain the equipment as quickly as possible. The conditions outlined by Ambassador Donnelly would be met, and the names of the nine responsible officers would be transmitted to the High Commissioners on November 30. The Chancellor requested Minister Helmer to discuss the matter in greater detail.

Minister Helmer stated that *gendarmerie* personnel currently assigned to the Western zones could not be detailed to these units. In the first place, these gendarmes were currently used for normal *gendarmerie* functions; secondly, they were regular civil servants and could not be assigned to duties entailing separation from their families for a long period. The Ministry of the Interior had completed preparations for hiring additional gendarmes on December 1, 1950 for the specific purpose of undergoing an eighteen months training period. In this manuer 500 gendarmes would be available for each zone.

Minister Helmer strongly objected to the use of the term "battalion" for these units. The gendarmes would receive their training in regular *gendarmerie* schools and the groups so formed should be referred to as "schools". The use of the term "battalion", the Minister pointed out, would lead to unnecessary complications, and was, moreover, entirely foreign to the *gendarmerie*, which is a civilian organization. Chancellor Figl supported this argument by pointing to the obvious propagandistic advantages should the Soviets raise this issue in the Allied Council. Both he and Minister Helmer agreed, however, that internally these units would function in a military manner and could serve as a nucleus for an army should Austria unexpectedly obtain a treaty in the near future. State Secretary Graf pointed out that eighty percent of the personnel selected for these units would be former officers or non-commissioned officers.

It was agreed that: (1) 500 gendarmes in each zone would serve for an uninterrupted training period of 18 months;

(2) The three Western High Commissioners would be notified by the Ministry of the Interior on November 30 as to the respective commanders, deputy commanders and persons authorized to sign for the equipment;[4]

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[3] In telegram 3328, from Paris, December 11, not printed, Embassy Paris reported that it understood "that Payart was authorized December 7 to take parallel action." (763.5/12-1150)

[4] Enclosure 2 to despatch 522, not printed, listed the names of the Austrian Commandants and officials responsible for the material taken over in each of the three Western Zones.

(3) The US element would inform the French and British elements and the Austrian government concerning the precise manner in which the equipment would be physically released;

(4) The equipment for the *gendarmerie* in the French zone would be turned over after the French High Commissioner has announced his assent.

It was agreed that caution would be exercised in putting the agreement into effect, and that care would be taken to avoid the appearance of violation of a quadripartite decision.

BULGARIA

EVENTS LEADING TO THE SEVERANCE OF DIPLOMATIC RELATIONS BETWEEN THE UNITED STATES AND BULGARIA, FEBRUARY 21, 1950[1]

769.00/1–1050 : Telegram

The Secretary of State to the Legation in Bulgaria

CONFIDENTIAL WASHINGTON, January 10, 1950—8 p. m.

14. It now appears BulGovt will not demand ur recall in connection with allegations made during Kostov trial.[2] Since our warning of Dec 12[3] had desired effect, we do not think it necessary to prolong controversy over the affair by making written reply to Bulg *aide-mémoire* of Dec 19 (Legtel 1110, Dec 19).[4] Subj ur concurrence, Dept proposes you take advantage of suitable opportunity to make fol points orally to FonOff:

1. US Govt does not accept validity of certain statements contained in Bulg *aide-mémoire* of Dec 19. However, Bulg action in having ur denial printed in Bulg press seems to give ground for hope that Bulgovt understood seriousness with which US regarded Bulg conduct in this affair and desires restore US-Bulg relations to basis of internatl law and comity.

2. Ur Govt, however, must continue to call attn to unsatis record of BulGovt in hampering normal dipl and consular functions by such actions as delay in issuing visas, intimidation and persecution of Leg's Bulg employees, restriction on travel and housing, and insistence on fixing number US personnel. These matters shld be ironed out without undue delay.

3. Relations cannot be considered as on satis basis unless BulGovt takes appropriate action to correct present situation.

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[1] Previous documentation on this matter is presented in *Foreign Relations*, 1949, vol. v, pp. 326 ff.

[2] During December 1949 Traicho Kostov, former Bulgarian Deputy Prime Minister and Bulgarian Communist Party Politburo member, and nine others were tried and convicted by a Bulgarian court of anti-State activities, treason, espionage, and sabotage. Kostov was executed on December 16, 1949. The indictment of Kostov and testimony made during the trial alleged that Minister Donald R. Heath had been involved in Kostov's anti-State activities. Documentation regarding the trial and the false accusations against Minister Heath is printed *ibid.*

[3] On December 12, 1949, Under Secretary of State James C. Webb informed Dr. Peter Voutov, the Bulgarian Chargé, that the United States took a very serious view of the false accusations against Minister Heath. Under Secretary Webb's memorandum of his conversation with Chargé Voutov is printed *ibid.*, p. 373.

[4] The text of the Bulgarian Foreign Minister's *aide-mémoire* of December 19, 1949, is printed *ibid.*, p. 376.

You might mention, re Poptomov[5] proposal of 25 as maximum for Leg staff (Legtel 15, Jan 6[6]), that Dept and Leg have already carried through reduction in personnel at Sofia; and that, while you can assure FonOff that total will not go beyond neighborhood of 30, our position remains as stated by you to Kamenov Nov 22 (Legtel 970 Nov 22[7]) and we cannot agree to arbitrary fixing of total of 25. You shld emphasize that US desirous of reaching a *modus vivendi* on this as on other outstanding matters mentioned in numbered para 3 above, but that willingness to abide by internatl practice is essential to solution and it is up to BulGovt to show such willingness.

ACHESON

[5] Vladimir Poptomov, Bulgarian Foreign Minister.

[6] Not printed.

[7] Not printed. In it Minister Heath reported he had informed Bulgarian Assistant Foreign Minister Evgeni Kamenov the following American position, as instructed by the Department of State: (1) the United States was unwilling to engage in a process of bargaining on any specific number of Americans for its Legation staff; (2) for reasons of its own, the United States did desire to carry out a substantial reduction of its previously desired staff; (3) the ultimate size of the Legation staff, sufficient to perform such normal diplomatic and consular functions as remained feasible under restrictions imposed by the Bulgarian Government, would generally conform with the expressed desires of the Bulgarian Government; (4) the United States was unable to proceed with the realignment of its staff until the Bulgarian Government gave concrete evidence of its desire to cooperate, particularly by action on pending visa cases of Americans assigned to Legation (124.74/11-2249).

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123 Heath, Donald R.

The Bulgarian Legation to the Department of State[1]

No. 187

NOTE VERBALE

The Legation of the People's Republic of Bulgaria in Washington, D.C. has been requested by the Bulgarian Government to notify the State Department of the following:

The evidence from the trial of the criminal group of flagrant spies and traitors led by Traicho Kostov, which was planning to overthrow the legally established Powers in Bulgaria, proved before the court that His Excellency, the Plenipotentiary Minister of the United States

[1] At his meeting with President Truman on the afternoon of January 19, Secretary of State Dean Acheson took up the matter of the request contained in this communication:

"I reported this request to the President and told him that I assumed he would now wish us to carry out the procedure which he authorized at the time of our last communication to the Bulgarian Government. He thought we should do this." (Memorandum by the Secretary of State, January 19, 1950: Secretary's Memoranda, Lot 53 D 444, Secretary's Memoranda—January 1950) Lot 53 D 444 is a comprehensive chronological collection of the Secretary of State's memoranda and memoranda of conversation for the years 1947–1953, as maintained by the Executive Secretariat of the Department of State.

in Sofia, Mr. Donald Read Heath, had been in contact with Traicho Kostov and Tzonu Tzontchev,[2] convicted by the Bulgarian Court for treason and espionage, and had allowed himself to take action not in line with his diplomatic functions. By this, he had shown abrupt interference in the interior affairs of the People's Republic of Bulgaria concerning its sovereignty as well as its National Security.

In view of these circumstances, the Bulgarian Government announces to the Government of the United States that it considers its Plenipotentiary Minister in Sofia, Mr. Donald Read Heath, as *persona non grata* and requests the United States Government for his immediate recall from Bulgaria.

WASHINGTON, January 19, 1950.

[2] Tsonyu Tsonchev, the Governor of the Bulgarian National Bank until his arrest in 1949, was a principal codefendant in the Kostov trial of December 1949.

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123 Heath, Donald R.

Memorandum of Conversation, by the Deputy Assistant Secretary of State for European Affairs (Thompson)

SECRET [WASHINGTON,] January 20, 1950.

Participants: Dr. Peter Voutov, Chargé d'Affaires of Bulgaria;
Mr. Llewellyn E. Thompson, EUR;
Mr. John C. Campbell, EE.[1]

Dr. Voutov called at 12 o'clock at the Department's request in order to receive the reply to his Government's demand for the recall of the American Minister in Sofia.[2] I told him that, as he might well understand, we were very much shocked to receive the Legation's note yesterday containing this demand. I handed him the Department's reply [3] which he then read without change of expression. I explained that this note was being delivered today to his Government by the American Legation in Sofia and that we were providing him with a copy as a matter of courtesy since this was a reply to the note delivered by the Legation.

I said that the Department considered it unfortunate that the Bulgarian note had appeared in the press. I said that we did not know whether the Bulgarian Legation had released it. Dr. Voutov said that he had not done so; when a *New York Times* correspondent had telephoned him about it yesterday, he had refused to comment. I then said that if the substance of the note had reached the press through the Department, this had taken place by means of a "leak"

[1] Officer in Charge of Balkan Affairs, Office of Eastern European Affairs.
[2] Bulgarian Legation *note verbale*, January 19, *supra*.
[3] *Infra*.

and was not the result of a decision on the part of the Department. However, since the public was now informed concerning the Bulgarian note, I said that we would find it necessary to release our reply to it very shortly.[4] I pointed out that his Government was receiving the text of the note today in Sofia. Dr. Voutov stated that he and his Government regarded it as improper, for a Government to publish diplomatic communications before they reach the Government to which they are addressed. He recalled the statement made to him by Mr. Webb on December 12.[5] Before he even got to his car, he said, the reporters had the full story of the interview. He recalled that in replying to the statement made to him by Mr. Webb, his Government had rightly characterized our handling of this matter as not in conformity with international practice.

Dr. Voutov looked again at the note and said that it was very strong. He said that it was his personal view and the view of his Government that Mr. Heath did have contacts with Kostov and Tsonchev who had been found guilty of treason. He said that the Bulgarian Government had originally regarded Heath as a friend and that Assistant Foreign Minister Kamenov had been on quite friendly terms with him. He knew that the Bulgarian Government would not have asked for his recall if the request were not justified because of Mr. Heath's abuse of his diplomatic position. I replied that the United States, as Mr. Webb had made clear on December 12 to Dr. Voutov himself, was convinced that the charges against Mr. Heath were false and that the Bulgarian Government knew them to be false. Dr. Voutov referred to a statement made by Bulgarian Foreign Minister Poptomov about a month ago to the effect that those foreign governments whose representatives were implicated in the conspiracies uncovered by the Kostov trial should take the action which was required by the circumstances. The United States, said Dr. Voutov, had had 30 to 35 days to take such action. However, instead of recalling its Minister, the United States had done nothing. Therefore, the Bulgarian Government had quite properly requested his recall.

Dr. Voutov stated that the terms of the United States note seemed to mean the end of diplomatic relations between the two countries. I stated that the Bulgarian Government by its own conduct had indicated clearly to us that it did not desire to maintain normal relations. Dr. Voutov said that this was not so. He said that the Bulgarian Government wished to maintain relations. It believed that the United States Government should recall Mr. Heath and replace him with a new Minister.

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[4] The Secretary's note of January 20 (*infra*) was in fact released to the press that same day.

[5] Under Secretary of State Webb's memorandum of his conversation with Chargé Voutov on December 12, 1949, is printed in *Foreign Relations*, 1949, vol. v, p. 373.

Before leaving Dr. Voutov said that he would be in communication with his Government on this matter and that if it had anything further to communicate to the Department through him, he would get in touch with us. If these developments meant that he would soon be going home, he said in conclusion with a faint smile, "okay".

LLEWELLYN E. THOMPSON

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123 Heath, Donald R.

The Secretary of State to the Bulgarian Chargé (Voutov)[1]

The Secretary of State presents his compliments to the Chargé d'Affaires *ad interim* of Bulgaria and refers to his note No. 187 of January 19, 1950[2] requesting the recall from Bulgaria of the American Minister, Donald R. Heath as *persona non grata.*

In reply thereto the American Minister at Sofia has been instructed to deliver the following note to the Bulgarian Government:[3]

"The Legation of the United States of America has been instructed by the United States Government to deliver to the Bulgarian Government the following reply to the *note verbale* delivered to the Department of State by the Bulgarian Legation in Washington on January 19, 1950 requesting the recall from Bulgaria of the American Minister.

The charges on which the Bulgarian Government has based this demand are wholly unfounded, as the Bulgarian Government itself is fully aware. Moreover, the Under Secretary of State, Mr. James E. Webb on December 12, 1949 stressed to Dr. Peter Voutov, the Bulgarian Chargé d'Affaires in Washington, that the United States took a very serious view of such reckless accusations against the American Minister, which caused this Government to question the Bulgarian Government's intentions with respect to the maintenance of normal and friendly relations with the United States.[4]

The Bulgarian Government has over a period of two years increasingly subjected the Legation to a series of indignities and restrictions which have now made it virtually impossible for the Legation to perform its normal diplomatic and consular functions. In addition to crippling restrictions on the entry and movement of United States officials assigned to the Legation, the Bulgarian Government has pursued a campaign of persecution against the Legation's Bulgarian employees whose only crime has been their association with the Legation. This campaign has resulted in the execution of two such employees, the death of a third after maltreatment by the police, and

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[1] For the circumstances attending the delivery of this note to Chargé Voutov, see Deputy Assistant Secretary of State Thompson's memorandum of conversation, *supra.*

[2] *Ante*, p. 504.

[3] Minister Heath delivered the note quoted below to the Bulgarian Foreign Ministry on the afternoon of January 20. The text of the quoted note was released to the press in Washington on January 20.

[4] For Under Secretary of State Webb's memorandum of his conversation with Chargé Voutov on December 12, 1949, see *Foreign Relations*, 1949, vol. v, p. 373.

the arrest and torture of others. All of these employees were engaged only in such routine duties as is accepted as normal practice in diplomatic missions throughout the civilized world.

The United States, in renewing formal relations with Bulgaria in 1947, pointed out that the establishment of diplomatic relations did not in itself imply approval or disapproval of the acts and policies of the Bulgarian Government. It has been the hope of the United States Government that minimum standards of international comity with regard to the maintenance of diplomatic intercourse would be observed. The Bulgarian Government, however, has fallen far below even those minimum standards in conducting its relations with the United States.

Accordingly, unless the Bulgarian Government withdraws its note of January 19 and demonstrates its willingness to observe established international standards of conduct, the United States Government must conclude that the Bulgarian Government does not desire to maintain normal relations. In these circumstances the United States Government will be obliged to withdraw the United States diplomatic mission from Bulgaria and ask for the recall of the Bulgarian diplomatic mission from the United States."

WASHINGTON, January 20, 1950.

124.693/1-2550 : Telegram

The Minister in Bulgaria (Heath) to the Secretary of State

TOP SECRET NIACT SOFIA, January 25, 1950—10 p. m.

102. ReDeptel 73.[1] As Department will recall from secret despatch 534, December 8, 1948,[2] Foreign Office informs us in writing that Peev and Dimitrov [3] had been sentenced to death for espionage. Later we heard on good authority their appeals against this sentence had been refused. On several occasions in conversation with Kamenov (Legtel 815 Department 29 [2]) I made the statement that these 2 men had been executed and there was no contradiction of this statement. Six months ago available Bulgarian friend of Dimitrov's reported he had heard on good authority latter was shot (Legtel 471 June 9 [2]).

We had taken for granted then that these two had met their deaths. It is only today, however that we have received any information tending to cast any doubt on the actual executions. . . .

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[1] Not printed. It asked for information on the fate of those former employees of the American Military Mission in Bulgaria or the American Legation who had been persecuted by the Bulgarian Government (124.693/1-2450).

[2] Not printed.

[3] Joseph Dimitrov was a former employee of the American Military Mission in Bulgaria which was disbanded in September 1947. Dimitrov and Dragan Peev, another former employee, were condemned to death on August 7, 1948 following a secret trial by a Bulgarian court to which the American Legation was not allowed to send an observer.

To sum up, we have been officially informed that Peev and Dimitrov sentenced to death. Neither my oral allegations nor the Department's formal statement in its note of January 20 [4] of these executions have been denied. We have recently, however, heard unconfirmed reports that the death sentence was not actually carried out.

There is no doubt that Seculov [5] is dead nor were my statements to that effect even contested by Kamenov (Legtel 764, December 8 top secret [6]).

In addition to these instances there is the fact of the arrest of Dimiter Petrov [7] (Legtel 9, January 5 [6]). Inquiries by Legation met the reply that they had been imprisoned for offenses not concerned with his employment by Legation (Legtel 25, January 12 [6]).

Mimir Balabanov was tried at same time as first two named this telegram and was sentenced, we understand, to ten years confinement. She was not strictly speaking an employee of Legation but housekeeper of Lieutenant Colonel Ralph Wade, formerly treaty officer of this mission. She was, of course, innocent and to seize her militia violated diplomatic property by arresting her in cottage closely adjoining Wade's house and which was marked at all entrances as being under Legation protection.

The following cases should not be made public since most of those concerned are presumably still at liberty and publicity would certainly bring about their arrest, if not worse.

. . . . . .

HEATH

[4] *Supra.*

[5] Ivan Seculov, a former secretary of the Bulgarian Regency Council, 1943–1944, who subsequently served as a translator in the American Military Mission in Bulgaria and the Legation until forced to resign in May 1949 by the Bulgarian security police. Seculov apparently died while under arrest in August 1949. For a fuller account of the fate of Seculov, see telegram 642, August 1, 1949, from Sofia, *Foreign Relations*, 1949, vol. v, p. 339.

[6] Not printed.

[7] Bulgarian caretaker of the Legation residence.

611.69/1–3150 : Telegram

The Minister in Bulgaria (Heath) to the Secretary of State

SECRET

SOFIA, January 31, 1950—6 p. m.

132. According to Wireless Bulletin [1] January 28, *Washington Post* editorial comment urges Congress "take cognizance sorry state these particular treaties (with satellite countries) and by concurrent resolution declare them null and void".

[1] The Wireless Bulletin was the official news service of the Department of State, prepared by the Division of International Press and Publications, and transmitted daily by radio to foreign services posts abroad.

Although we have full right and good cause declare treaties wholly violate, I assume European policy will continue to be that Bulgaria shall not be allowed escape her treaty responsibility and that we will persist in enforcement efforts in UN and elsewhere. So long as we insist on performance we have valuable grounds on which to challenge present Bulgarian regime and to demand its recognition of international duties and obligations.

If we sever relations this need not mean abrogation of treaty, but rather recognition of its violation and our determination that it will be observed. If we declare treaty null and void we presumably relinquish our declared rights as victor and permit existence of a regime in this vanquished nation at least as evil as that which we exterminated by war. Our only alternative then would be to abandon our policy vis-à-vis Bulgaria or to renew threat.

As long as this remains a cold war, however, we should retain the good weapon we have in the peace treaty on the basis of which we can justify any *démarches* we may wish to make in the interests of bringing about representative responsible government in Bulgaria, withdrawal of recognition is for moment sufficient condemnation of this government. Our cancellation of the treaty would carry no greater weight at this time and, unless followed by stronger measures than may be considered reasonable at present, might turn our strong stand in breaking relations into temporary victory for the Bulgarians.[2]

HEATH

[2] Telegram 115, February 4, to Sofia, not printed, stated that the Department of State agreed with Minister Heath regarding the inadvisability of declaring the Bulgarian Peace Treaty null and void. If the withdrawal of the Legation from Bulgaria became necessary, the Department preferred to interpret such an action as a suspension of diplomatic relations rather than a withdrawal of recognition. The taking of this position would allow the Department to retain a freer hand to reopen the Legation whenever such action might seem advisable. (611.69/1–3150)

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123 Heath, Donald R.: Telegram

The Secretary of State to the Legation in Bulgaria

SECRET PRIORITY WASHINGTON, February 7, 1950—7 p. m.

126. Dept wld appreciate ur comments on fol possible course action case Bulgs continue withhold reply our note.[1] It is of course desirable delay application suggested course until current obstacle removed but press becoming increasingly restive at our inaction. Prolonged failure by US to fol up strong stand which has recd practically unanimous

[1] January 20, p. 507.

support here wld risk interpretation as appeasement and be likely stimulate other satellites to further repressive measures which we had hoped vigorous action in Bulg might forestall.

Proposed course is within next few days you request appointment FonOff and if recd state present ambiguous situation unacceptable and your Govt desires prompt clarification ur status. However, if Bulg Govt prepared in fact consider its demand for your recall has lapsed and will not be further pressed, we will not insist on formal reply our note. We wld of course be obliged under these circumstances inform press and public demand for ur recall had been dropped and we were continuing for present maintain dipl relations with Bulg. You might also, if it seemed desirable and useful, inform FonOff your term duty in Bulg approaching its end and you will probably be replaced within few months in any case. We see no useful purpose in insisting at this time on Bulg pledge of future good behavior vis-à-vis US Mission, which wld presumably have little binding effect. You may wish however state for record that, if Bulg Govt does not insist on ur recall, we take that to mean it desires maintain normal relations with US and harassment Leg and persecution its employees will therefore cease.

Alternatively you might approach FonOff requesting appointment discuss housing or other matter unrelated to issue of maintenance relations, as means testing Bulg Govt's intentions and providing possibility for their retreat on PNG demand if they have any such intention.

Another suggestion on which we wld appreciate ur comments is that, in case Bulg maintain demand for ur recall and we withdraw mission, we wld designate Min to Rumania as concurrently Min to Bulg, though he wld remain resident in former. We wld of course insist on withdrawal Bulg Mission Washington but wld accept, if Bulgs desired, similar accreditation non-resident Min. Purpose this action wld be (1) to emphasize fact we are not breaking relations but merely withdrawing Mission which due behavior Bulg Govt can no longer function normally and (2) to avoid accusation we are rendering inoperative peace treaty provisions which require action Allied Chiefs of Mission. We recognize Bulg Govt unlikely accept this arrangement but it might have value propagandawise and for record. We also recognize salutary effect complete dipl break in other satellites wld be seriously blunted by this maneuver.

Comment urgently these proposals.

ACHESON

123 Heath, Donald R.: Telegram

The Minister in Bulgaria (Heath) to the Secretary of State

SECRET PRIORITY SOFIA, February 9, 1950—9 p. m.

193. Reference Deptel 126, February 7 [1] received this p. m. Suggestion that I ask for appointment Foreign Office to request clarification my status seems worth trying but should be done soonest. It might precipitate action one way or another by Bulgarian Government which we desire.

My asking appointment Foreign Office might have one of following further results. Most likely Foreign Office would not give immediate answer re appointment if any answer. Also might refuse appointment, thus showing I am still considered *persona non grata.*

In case of latter action or delay more than three days in receiving appointment, believe Department should call in Bulgarian Chargé Voutov and say I have been refused interview by Foreign Office and that Department must have answer to its January 20 note [2] within specified time as state of relations is untenable. Then if silence continues, believe Department should announce withdrawal of mission.

Should, however, Foreign Office receive me I would say my Government has asked me inquire of Bulgarian Government as to reply to our note of January 20. Should Foreign Office say verbally they are dropping request for my withdrawal, believe this can be interpreted as victory without our insistence on formal reply, and could be effectively publicized by Department.

Likewise should Voutov convey orally his Government decision to drop withdrawal. However, I think any voluntary mention on our part that my tenure here is naturally drawing to close would be twisted into retreat and would thus lose all ground and more that we have gained by this move. If received at Foreign Office, I think I should come to the point at the beginning of interview and not start off with housing or other minor problems of the Legation. If question raised by Foreign Office re my tour of duty here I would be prepared to say it had originally been set at two years. I agree there is no use asking for guarantee good behavior towards this mission but believe I should state my understanding that if my recall is not insisted upon it means harrassment of Legation and especially persecution of employees will cease.

If break occurs I feel that accreditations of US Minister in Rumania also Bulgaria would detract from straightforwardness and strength of our position as viewed by US press and public as well as by

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[1] *Supra.*
[2] *Ante,* p. 507.

Communists. Strong position in Department note January 20 has given decided pause I believe, to this and other satellites and to Kremlin.[3]

HEATH

[3] Telegram 143, February 10, to Sofia, not printed, replied that the Department of State concurred in Minister Heath's views. Heath was instructed to request an appointment with the Bulgarian Foreign Ministry and to state the United States position as outlined in paragraph 2 of telegram 126, February 7, to Sofia (*supra*) as modified by Heath's suggestions. If Heath were not received in three days, Bulgarian Chargé Voutov would be called to the Department for an interview. If neither interview indicated that Bulgaria had dropped its demand for Heath's recall, the Department would proceed with the notification of the withdrawal of the Legation from Bulgaria (123 Heath, Donald R.).

611.69/2-1650

Memorandum of Conversation, by the Deputy Assistant Secretary of State for European Affairs (Thompson)

SECRET [WASHINGTON,] February 16, 1950.

Participants: Dr. Peter Voutov, Chargé d'Affaires, Bulgaria;
Mr. L. E. Thompson, Deputy Assistant Secretary;
Mr. J. C. Campbell, EE.

Dr. Voutov called at 5 pm today at the Department's request.[1] I opened the conversation by saying that four weeks have passed since the Bulgarian Government had received our note of January 20[2] and that we had had no reply. I mentioned the fact that Minister Heath had asked to see the Bulgarian Foreign Minister last Monday, February 13, in order to discuss his own situation and that of the Legation. He had inquired again on Wednesday, and the only reply had been a communication to the Counselor to the effect that the Foreign Minister was very busy.[3] Four days had passed since Mr. Heath's request for an appointment; thus it was apparent that the Foreign Minister did not intend to see him. In this situation, I continued, the Department had felt compelled to call Dr. Voutov once again in order to make clear to him that the present situation in Bulgarian-American relations could not continue. I said that unless the Bulgarian Government made a reply in the very near future to the request contained in our note of January 20, the US would proceed to the withdrawal of its diplomatic mission from Bulgaria.

[1] According to his memorandum of conversation with President Truman on the morning of February 16, not printed, the Secretary of State informed the President of the Department of State's plan to see the Bulgarian Chargé that afternoon and to force some action by February 20. The President approved the Department's course of action. (Secretary's Memoranda, Lot 53 D 444, Memoranda of Conversation with the President)

[2] *Ante*, p. 507.

[3] Minister Heath's telegrams from Sofia of February 13, 14, and 15 reporting on his inability to secure an appointment with the Foreign Minister are included in file 123 Heath, Donald R.

Dr. Voutov emphasized, as he had in his talk with me on January 20, that the Bulgarian Government did not wish to break relations with the US. Speaking personally, he said, there were two separate questions involved, that of the status of Mr. Heath and the question of the maintenance of diplomatic relations. He believed that the former should be satisfactorily settled and should not affect the question of diplomatic relations. He said that it was obvious that Mr. Heath's situation in Sofia had become very difficult, since the recent trial had shown that he was implicated not only by Kostov but also by Tsonchev and other defendants in conspiracies of which they were proved guilty. It was, therefore, only natural that the Bulgarian Government should have requested his recall as *persona non grata.* However, he continued, there was no reason to break relations on this question. The Bulgarian Government would like the US to send another Minister. He, Voutov, was sure that agreement would be granted immediately for a new Minister.

I explained that we had made it very clear to the Bulgarian Government that the US Government considered the accusations against Heath to be false and such that the Bulgarian Government knew them to be false. I said that we could not accept the demand to recall Mr. Heath without tacitly accepting these charges as valid, something which the US could not do. I reminded him that the US position had been made clear to the Bulgarian Government but that the latter had nevertheless persisted in its action against Mr. Heath, thus bringing about the present difficult situation.

Dr. Voutov replied that Bulgaria wanted normal relations with the US and that it was the US which had taken the initiative in raising the question of a break in relations. Until this recent US threat, he said, relations had been normal. He noted that the US note of January 20 spoke of difficulties caused to the US Legation in Sofia by the Bulgarian Government. He, Voutov, knew of no great difficulties which would justify a break in relations.

In addition to the question of Bulgarian treatment of the Legation's local employees, which was unjustified and inexcusable and concerning which there had been exchanges between the Legation and the Bulgarian Government, there are also many other factors such as travel restrictions, housing difficulties, and so on. I reminded him that relations between the two Governments since the war had never been really normal. High Bulgarian officials, including the Prime Minister, had made statements about the US which we did not consider compatible with the existence of normal relations. It was true, of course, that strong statements about Bulgaria had also been made in the US. However, the important thing in the present state of affairs was that

the restrictions on and harassment of the US Legation had become increasingly severe and had now reached the point where normal diplomatic and consular activities had become impossible. The conduct of the Bulgarian Government toward Mr. Heath and the attempt to implicate him in the Kostov affair represented the culmination of a long series of acts which were not consistent with the concept of normal diplomatic relations.

Dr. Voutov again said that he knew of no serious difficulties. With reference to travel restrictions, he remarked that the same restrictions were placed on all foreign diplomats in Bulgaria, including the Soviet diplomats, and that there was no discrimination against the US. He referred also to his personal meetings with Mr. Heath in Washington last summer, which he characterized as friendly. He said that he had dined at Mr. Heath's home and talked with him for three hours about Bulgaria, during which Mr. Heath made no complaints about the treatment of the Legation, but on the contrary said that he had had the opportunity of traveling in all parts of Bulgaria.

Before leaving, Dr. Voutov stressed once again his view that it was the US which was taking the initiative in breaking relations. I replied that it was the conduct of the Bulgarian Government which had brought on the present situation. I said that it could not be questioned that the position of the US Legation in Sofia had become virtually impossible and that we would be forced to withdraw it unless the situation were changed. I said that this was not a question of withdrawing recognition from the Bulgarian Government but of withdrawing our diplomatic Mission because the Bulgarian Government seemed intent on making it impossible for the Mission to remain. Dr. Voutov said that he saw no distinction between withdrawing the Mission and breaking relations. He then said that he had informed his Government, immediately after receipt of the US note of January 20, that he was available to transmit any further communication on the subject to the Department. However, he had received no reply from his Government. He would now send immediately a cable to Sofia informing his Government of what had been said at the present conversation. He said he understood that we expected a reply within the next few days. I confirmed to him that this was the case. I also mentioned that if he should encounter any difficulties in connection with his departure from this country, should events develop in that way, the Department would do its best to avoid any such difficulties or embarrassment to him.

LLEWELLYN E. THOMPSON

124.693/2-1750

The United States Legation in Bulgaria to the Bulgarian Foreign Ministry[1]

No. 32

The Legation of the United States of America presents its compliments to the Bulgarian Ministry of Foreign Affairs and has the honor to refer to the Ministry's *Note Verbale* No. 6-50-I of January 11, 1950.[2]

With respect to the Ministry's request concerning Michael Todorov Shipkov, although deeply concerned as to the welfare of this man who was in the Legation's employ for a period of several years and whose present whereabouts are unknown, the Legation is not in a position to be of any assistance to the organs of the National Militia, which the Ministry indicates has been searching for him. The Legation would like to point out in this connection that the Ministry's Note of January 11 contained the first indication that charges have been made against Mr. Shipkov and in view of past exchanges with the Ministry on the subject of this individual, the Legation would appreciate being informed of the precise nature of the charges.

The Ministry will recall that Michael Shipkov was detained in August 1949 and mercilessly maltreated by the Militia. This incident was the subject of a series of discussions between the Legation and the Ministry, in the course of which Assistant Foreign Minister Kamenov expressed on October 5, 1949 his deep regret over the action taken against Mr. Shipkov, and stated that officials responsible would be punished and that measures would be taken to prevent recurrence of such actions. These statements were confirmed by His Excellency the Minister of Foreign Affairs in a discussion which occurred on October 11, 1949, concluding with the statement that the maltreatment of Mr. Shipkov was absolutely against the policy of the Bulgarian Government.[3]

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[1] The source text was transmitted to the Department of State in despatch 90, February 17, from Sofia, not printed. The despatch reported that the note printed here was delivered to the Bulgarian Foreign Ministry on the afternoon of February 16 in pursuance of instructions contained in telegrams 144, February 10 and 153, February 15, to Sofia, neither printed (124.693/2-1050 and 124.693/2-1550).

[2] Not printed. It stated that the Bulgarian Government had ascertained that the American Legation was hiding Michael Shipkov, a former employee of the Legation, who was wanted by Bulgarian authorities for investigation in connection with certain alleged illegal and anti-State activities. The *Note verbale*, the text of which has not been found, apparently requested the surrender of Shipkov. Regarding the Shipkov case, see the editorial note, *infra*.

[3] Minister Heath's meeting with Bulgarian Foreign Minister Poptomov under reference here was reported upon in telegram 858, October 12, 1949, from Sofia; for the text, see *Foreign Relations*, 1949, vol. v, p. 351. Heath's meeting with Bulgarian Assistant Foreign Minister Kamenov on October 5, 1949, is described in more detail in footnote 1 to the same telegram.

As the Legation has had occasion to point out on a number of occassions, the Bulgarian Government's deliberate and systematic persecution of the Legation's local employees, to the detriment of normal functioning of the Legation and in disregard of elementary human rights of the individuals concerned, has been one of the principal factors which have reduced Bulgarian-American relations to their present unsatisfactory state. The record has been such that the Government of the United States has not been able to accept as genuine or made in good faith the charges on which persecution of these employees has been ostensibly based.

The Legation of the United States of America takes this opportunity to renew to the Ministry of Foreign Affairs the assurances of its high consideration.

SOFIA, February 15, 1950.

Editorial Note

Michael (Mikhail) Shipkov was the senior Bulgarian employee of the Legation in Sofia. Shipkov was arrested and brutally interrogated by the Bulgarian security police in August 1949. Following his release Shipkov was concealed in the Legation. Throughout the remainder of the year, the Legation renewed and intensified its efforts, begun earlier, to secure from the Bulgarian Government permission for Shipkov to leave Bulgaria. For reports on the Shipkov case in 1949, see *Foreign Relations*, 1949, volume V, pages 326 ff. Shipkov eventually left the Legation early in 1950, and he was apparently captured by the Bulgarian police on February 14 while attempting to flee the country. The Legation's last formal communication to the Bulgarian Foreign Ministry on the Shipkov case is printed *supra*. On February 21, the Sofia press published the text of an indictment charging Shipkov and four other Bulgarian citizens with espionage and other anti-State activities. One of the other accused was Jivka (Zohivka?) Rindova, a former employee of the American Legation who had been arrested in November 1949 (see telegram 102, January 25, from Sofia, page 508). The indictment, which described all the accused as agents of American intelligence, implicated 16 former and current members of the American Legation, including Minister Heath. The text of the indictment was transmitted to the Department of State in telegram 261, February 21, from Sofia, not printed (611.69/2-2150). For Minister Heath's reports on the announcement of the Shipkov indictment and its significance, see telegrams 260 and 266, February 21, from Sofia, pages 521 and 522.

In a statement issued to the press on February 21, the Department of State reviewed the principal features of the Shipkov case from the

time of his arrest and interrogation in August 1949 until his departure from the protection of the Legation at the beginning of 1950. For the text of the statement, see the Department of State *Bulletin*, March 13, 1950, page 396. On March 4, the Department of State issued to the press Shipkov's sworn and signed affidavit describing in great detail the circumstances of his detention and interrogation by the Bulgarian security police in August 1949. The affidavit was accompanied by a Departmental statement briefly reviewing the principal episodes in the Shipkov case culminating in Shipkov's arrest and indictment for treason. The Department's statement reaffirmed that Shipkov was neither a spy nor an American intelligence agent but merely an employee of the Legation in Sofia who had performed routine, legitimate, and nonconfidential duties as a translator. For the text of Shipkov's affidavit and the accompanying Department of State statement, see *ibid.*, pages 387–396.

The trial of Shipkov and his four co-defendants was held in Sofia, March 6–8, 1950. Shipkov was found guilty and sentenced to 15 years imprisonment. On March 8, Secretary of State Acheson issued a statement to the press denouncing the Shipkov trial and the disregard for human rights and human values demonstrated by the Bulgarian regime. For the text of the statement, see *ibid.*, March 20, 1950, page 441.

124.69/2–2150

The Secretary of State to the Bulgarian Chargé (Voutov)[1]

The Secretary of State presents his compliments to the Chargé d'Affaires ad interim of Bulgaria and refers to the Legation's note

[1] Bulgarian Chargé Voutov was called to the Department of State to receive this note at 11 a. m. on February 21. At that time, Deputy Assistant Secretary of State Thompson also handed to Voutov a separate note containing assurances that the Department of State would do everything possible to remove any difficulties which might arise in connection with Voutov's departure. Thompson expressed the hope that similar protection would be given to American personnel in Sofia. Voutov, who was assured that there was no deadline for his departure from the United States, stated that he planned to sail from New York on March 3. (Memorandum of conversation by Thompson, February 21: 711.69/2–2150)

The Department of State had originally planned to make delivery of this note on February 20 at approximately the same time the Legation in Sofia was delivering its note (quoted in the note printed here) to the Bulgarian Foreign Ministry. Although the Legation's note was in fact physically delivered on the morning of February 20, it was, in effect, held in abeyance during the remainder of that day while the Legation sought to determine whether the Bulgarian Foreign Minister or his deputy might still agree to receive Minister Heath for an interview. No such interview eventuated, however. For Minister Heath's reports on the circumstances attending the delivery of the Legation's note, see telegrams 260 and 266, February 21, from Sofia, pp. 521 and 522.

No. 187 of January 19, 1950,[2] and to the United States Government's reply of January 20, 1950,[3] concerning the Bulgarian Government's request for the recall from Bulgaria of the American Minister, Donald R. Heath.

Since the Bulgarian Government failed to reply to the United States Government's note of January 20, 1950, the American Minister at Sofia delivered the following note to the Bulgarian Government on February 20, 1950:

"The Legation of the United States of America presents its compliments to the Minister for Foreign Affairs of the People's Republic of Bulgaria and has the honor to refer to the Legation's note of January 20, 1950, in reply to the note delivered by the Bulgarian Legation in Washington to the Department of State on January 19, 1950, requesting the recall from Bulgaria of the American Minister, Mr. Donald R. Heath, as *persona non grata.*

As indicated in the statements of the Under Secretary of State, James E. Webb, to the Bulgarian Chargé d'Affaires ad interim in Washington on December 12, 1949, the United States Government took a most serious view of the Bulgarian Government's conduct toward Minister Heath in connection with the trial of Traicho Kostov and others, in particular the charges against Mr. Heath, the falsity of which the Bulgarian Government itself was in a position to ascertain. The Under Secretary made it quite clear that these accusations, coming as they did on top of a long series of intolerable restrictions and indignities to which the American Legation in Bulgaria had been subjected, inevitably affected relations between the two countries and compelled the United States Government to warn the Bulgarian Government that it could not ignore such deliberate and unwarranted actions which were in complete disregard of normal practice in the conduct of international relations.

The Bulgarian Government, however, persisted in its course of conduct. On January 19, 1950, it requested the immediate recall of Minister Heath from Bulgaria on the grounds that, by alleged "contacts" with Kostov and others, he had "allowed himself to take action not in line with his diplomatic functions" and thus had "shown abrupt interference in the interior affairs of the People's Republic of Bulgaria concerning its sovereignty as well as its national security". This action on the part of the Bulgarian Government, in putting forward wholly unfounded charges against the principal diplomatic representative of the United States as the basis of a demand for his recall, could be taken by the United States Government only as confirmation of the mounting evidence that the Bulgarian Government was unwilling, in its relations with the United States, to observe accepted standards of international comity.

The United States Government, in its note of January 20, 1950, stated that unless the Bulgarian Government withdrew its note of January 19 and demonstrated its willingness to observe established international standards of conduct, the United States Government must conclude that the Bulgarian Government did not desire to main-

[2] *Ante,* p. 504.
[3] *Ante,* p. 507.

tain normal relations. Over a period of four weeks the Bulgarian Government did not have the courtesy to reply. On February 16, 1950, it was advised by the Department of State that the long delay had created a situation which could not continue indefinitely and was requested to reply immediately.[4] No reply has been received. The conclusion is inescapable that the Bulgarian Government is unwilling to modify the position it has taken; that it is unwilling to treat American official representatives in Bulgaria in accordance with the standards of established international practice; and, consequently, that it is unwilling to maintain normal diplomatic relations with the United States.

Diplomatic relations between the United States and the post-war Government of Bulgaria, since their establishment in September 1947, have not been on a basis which could be called friendly or cordial. Cordiality was scarcely to be expected when Bulgarian officials and the controlled press were constantly denouncing and insulting the United States, and when the Bulgarian Government was violating its Peace Treaty obligations, ignoring resolutions of the United Nations, and supporting armed action against Greece. It was the hope of the United States Government, however, that relations, if not cordial, at least might be correct. But the treatment accorded to the American Legation in Sofia, including crippling restrictions on the entry and movement of American officials assigned to the Legation and an unprincipled campaign of persecution against the Legation's Bulgarian employees, left no doubt that the Bulgarian Government did not accept even the minimum standards of international practice.

Despite all these difficulties the United States Government wished to maintain diplomatic contact with Bulgaria because of the sincere desire of the American people to work toward better understanding with the Bulgarian people, with whom ties of friendship have linked them in the past.

The Government of the United States will continue to maintain its feeling of friendship for the people of Bulgaria and to manifest in every appropriate way its deep interest in their welfare. The Government of the United States, however, is reluctantly compelled to conclude that it is no longer possible, in view of the present attitude of the Bulgarian Government, for the American Minister and his staff to remain in Bulgaria. They have received instructions to leave Bulgaria as soon as possible. At the same time, the Government of the United States requests the recall of the Bulgarian diplomatic mission from the United States." [5]

WASHINGTON, February 21, 1950.

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[4] See Thompson's memorandum of conversation, February 16. p. 513.

[5] In addition to the note quoted here, three other Legation notes were delivered to the Bulgarian Foreign Ministry at noon of February 20: (1) a note stating that the Swiss Government had been requested to assume protection of United States interests in Bulgaria; (2) a note requesting exit visas for Legation American personnel and asking that all possible assistance be given to facilitate the departure of the staff; (3) a note stating that the Legation was notifying private American citizens in Bulgaria of the withdrawal of the Legation, and requesting the Bulgarian Government to grant all facilities to American citizens wishing to depart from Bulgaria. None of these notes are printed. The texts were transmitted to Department of State as enclosures to despatch 90, February 21, from Sofia, not printed (603.5469/2-2150).

Editorial Note

On the afternoon of February 21, the Department of State released to the press the text of the Legation in Sofia's note of February 20 to the Bulgarian Foreign Ministry, quoted in the Secretary of State's note of February 21 to Bulgarian Chargé Voutov, *supra*. At the same time the Department also issued to the press a statement reviewing those contributing factors leading to the suspension of diplomatic relations with Bulgaria. The statement presented information concerning the actions of the Bulgarian authorities against Bulgarian citizens employed by the Legation in Sofia who had been threatened, arrested, and tortured to extort fictitious confessions of espionage resulting in trials ending in death sentences for two former employees (Joseph Dimitrov and Dragan Peev) and the death of a third (Ivan Secoulov) in prison from torture or suicide. For the texts of the note and the statement, see Department of State *Bulletin*, March 6, 1950, pages 353–356. Regarding the fate of Dimitrov, Peev, and Secoulov, and other Bulgarian employees of the Legation arrested by the Bulgarian authorities, see telegram 102, January 25, from Sofia, page 508.

On February 21, the Department of State also issued to the press the statement on the case of Michael Shipkov referred to in the editorial note, page 517.

At his press conference on February 24, Secretary of State Acheson issued a statement reviewing the deterioration of the diplomatic relations of the United States with the countries of Eastern Europe, particularly Hungary and Bulgaria. For the text of the statement, see Department of State *Bulletin*, March 6, 1950, page 377.

On March 22, the Department of State announced that the Swiss Government had assumed the protection of American interests in Bulgaria and that the Polish Government had assumed the protection of Bulgarian interests in the United States. For the text of the announcement, see *ibid.*, April 3, 1950, page 524.

124.693/2–2150 : Telegram

The Minister in Bulgaria (Heath) to the Secretary of State

SECRET NIACT SOFIA, February 21, 1950—11 a. m.

260. Since cable of wireless service from here may be refused or delayed Legation phoned AmConGen Istanbul this a. m. to inform Department that Michael Shipkov, Jivka Rindova and three other Bulgarians have been arrested accused of espionage[1] and suggest that Legation note announcing withdrawal of US mission from Sofia be published immediately.

[1] Regarding the arrest and indictment of Shipkov, see the editorial note, p. 517.

Indictment of five Bulgarians carried in full in all Sofia papers this morning. It implicates me by name and some 16 former and present members of the mission. Foreign Office indication yesterday that Foreign Minister might receive me and statement that Assistant Foreign Minister would receive Counselor was of course, a ruse, an attempt to delay action our part until Bulgarians could produce this indictment which contains full but inaccurate story of Shipkov's refuge in Legation and attempt to escape. Shipkov, according to indictment, was arrested, place not stated, on February 14. Approximately full text of indictment is being cabled *en clair*.

In view of this development will endeavor to evacuate entire staff on Orient Express leaving Sofia Friday evening February 24 if exit visas obtained. Possibly some may depart earlier if tickets visas obtained.[2]

HEATH

[2] Regarding the departure of Minister Heath and the Legation staff from Sofia on February 24, see the editorial note, p. 525.

611.69/2–2150 : Telegram

The Minister in Bulgaria (Heath) to the Secretary of State

CONFIDENTIAL PRIORITY SOFIA, February 21, 1950—6 p. m.

266. Publicity handling of Shipkov trial should in my opinion present it as desperately concocted counter propaganda weapon to lessen unpleasant effect Bulgarian Government knows break in relations would have on bulk people and world opinion. Behavior of Foreign Office officials yesterday regarding delivery of note[1] and their deceitful implications there might be change of view on Bulgarian Government's part and ample evidence that Bulgarian Government desired to have its own story appear first; therefore, making withdrawal of Mission appear as "a good thing" for "people's democracy". (With full diplomatic courtesy, Legation called Foreign Office to say that communication would be delivered at noon; having delivered communication in spite of childish tricks of Foreign Office to prevent its delivery to any official personally, Legation notified Department that Foreign Office had indicated desire to discuss matter, and thus delayed immediate publication of US note, allowing Bulgarian Government every opportunity settle difficulty, in spite of fact they had already been allowed a month to decide upon course action.)

Possibly hastening "last touches" government then published immediately its indictment of Shipkov and Legation. Might be pointed

[1] The reference here is to the Legation's note of February 20 as quoted in the Secretary of State's note of February 21 to Chargé Voutov, p. 518.

out as strange coincidence, indeed, that day after delivery of US note was day selected for break of Shipkov story.

To point out contradictions, inconsistencies, mix-ups of dates and places is important but not new—every Communist trial since purge trials of Moscow has been repetitions conglomeration of lies in fantastic "confessions". What is new about this trial is that Bulgarian Government hopes it will serve as "deus ex machina" to justify its unscrupulous and lawless treatment of its own people whose only crime was to earn their living by legitimate work for American Legation. Bulgarian Government inadvertently makes strange admission when, fearful that even in its scurrilous attack on Legation, people of intelligence and humanity might perceive kindness of intention on Legation's part, goes out of its way to point out in indictment that "in this case Legation has not been led by human consideration"!

This in general I would suggest line to be followed for publicity and VOA treatment of Shipkov trial and our note breaking relations.

HEATH

611.69/2–2350 : Telegram

The Minister in Bulgaria (Heath) to the Secretary of State

PLAIN SOFIA, February 23, 1950.

278. Communiqué of General Office of Press follows: [1]

On January 19, 1950, on the instructions of Bulgarian Government, Peter Voutov, temporarily in charge of Bulgarian Legation in Washington, presented to Minister for Foreign Affairs of United States a note in which following was announced:

[Here follows the text, as translated by the Legation from Bulgarian into English, of the Bulgarian Legation *note verbale* of January 19, page 504.]

In reply to this entirely legal step of Bulgarian Government which is in conformity with international diplomatic practice the Government of United States instead of giving orders for recalling of its Minister Plenipotentiary who was guilty of such gross violation of laws of the country which gave him hospitality, presented a note to Bulgarian Government threatening to break diplomatic relations [if?] the latter did not withdraw its demand to recall Mr. Heath.[2]

Evidently, Bulgarian Government had no reason whatsoever to withdraw its note and to subordinate to such an inopportune and illegal ultimatum, and therefore it did not reply to the note.

The Government of People's Republic Bulgaria has always given proofs of its constant wish to maintain regular diplomatic relations

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[1] The text printed here appears to be a hasty translation prepared by the Legation.

[2] See the Secretary of State's note of January 20 to Chargé Voutov, p. 507.

with the United States based on the principles of equal rights and mutual respect of national independence and states sovereignty. This attitude of Bulgarian Government is a logical consequence of policy of peace and international collaboration followed firmly by it. However, Bulgarian Government cannot fail to reaction the case of Mr. Heath in which there is gross interference on part of a foreign diplomat into internal affairs of our country a violation of its state sovereignty. Diplomatic practice shows that in this way all governments of sovereignty countries have acted and are acting which [*with?*] respect and keep national dignity of their people and national independence and sovereignty of their country.

It is worthwhile to mention here the fact, rather characteristic of the unfriendly behavior of Mr. Heath towards People's Republic Bulgaria: Even after he was considered "persona non grata", he continued his illegal activities, entirely incompatible with his diplomatic functions. By his personal instructions, Bulgarian citizen Mihail Shipkov, a state criminal, wanted by Bulgarian authorities, was hidden in the building of American Legation in Sofia; later, the American Legation supplied him with false documents and facilitated his attempt to escape from Bulgaria.

Instead of taking note of intolerable illegal conduct of Mr. Heath in our country, American Government handed a second note to Bulgarian Government on February 20, 1950, informing that it recalled its entire personnel of Legation in Sofia. Requested recalling of personnel of Bulgarian Legation in Washington.[3]

This act on the part of the United States is absolutely arbitrary and in full controversy to diplomatic practice and established international customs. It does not have a lawful and moral foundation. It can be expelling only with the desire to strengthen the unfriendly policy and the pressure on the People's Republic Bulgaria, dictated by reasons which do not have anything in common with peace and security in the Balkans. This behavior of United States Government can be explained only as new form for strengthening struggle of imperialist circles in United States against front of peace—,[4] democracy.

For this reason progressive world public opinion and also progressive people in United States can only judge this arbitrary and unfriendly act on part of American Government, whose exclusive fault it is.

Further communiqué follows: "The Ambassador of Polish Republic in Sofia Mr. Alexander Barzchach [*Barchacz*] visited Vice President of Ministerial Council and Minister of Foreign Affairs Vladimir Poptomov on February 22, 1950 and informed him that Government of Polish Republic is ready to undertake protection of Bulgarian interest[s] in United States, because of recall of Bulgarian Diplomatic Mission from Washington."

HEATH

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[3] See the Secretary of State's note of February 21 to Chargé Voutov, p. 518.
[4] There is an apparent omission in the source text at this point.

Editorial Note

Minister Heath and the entire Legation staff and their families departed from Sofia by train on the morning of February 24. According to a report by Heath, transmitted in telegram 123, February 26, from Trieste, not printed, the Bulgarian authorities caused no serious problems in connection with departure and only a few minor nuisances. Heath viewed this as an obvious effort to minimize public notice of the departure. No representatives of the Bulgarian Foreign Ministry were at the train station, but some thirty plain clothes police were present. (123 Heath, Donald R.)

During a stopover in Belgrade, Yugoslavia on February 25, Minister Heath issued a statement to the press denouncing the Bulgarian campaign of vilification and insult against himself and members of the Legation culminating in the declaration of him as *persona non grata*, but expressing regret for the necessity of the United States to sever diplomatic relations with Bulgaria. For the text of the statement, subsequently issued in Washington on February 27, see Department of State *Bulletin*, March 13, 1950, page 397.

In a statement made over the Columbia Broadcasting System from radio station WTOP on March 11, 1950, former Minister Heath reviewed the hostile actions of the Bulgarian regime against the American Mission in Sofia resulting in the suspension of diplomatic relations. For the text of the statement, see *ibid.*, March 20, 1950, page 442.

CZECHOSLOVAKIA

FURTHER WORSENING OF RELATIONS WITH CZECHOSLOVAKIA; HARASSMENT OF AMERICAN OFFICIALS, EMPLOYEES, AND CITIZENS IN CZECHOSLOVAKIA[1]

124.495/1–3150 : Telegram

The Ambassador in Czechoslovakia (Briggs) to the Secretary of State

SECRET PRAHA, January 31, 1950—6 p. m.

144. After inquiring re Hvasta and Field cases as reported separate telegrams[2] I undertook general discussion with Foreign Minister Clementis of problem created by denial his government right diplomatic mission extend protection under international law in favor our nationals.

I indicated that what the Minister had said confirmed statements by Deputy Vice Minister Hajdu during conversation on December 21 (Embtel 1885 December 22[3]) situation being that Czechoslovak Gov-

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[1] Previous documentation on these topics is presented in *Foreign Relations*, 1949, vol. v, pp. 381 ff.

[2] Jan Hvasta, a naturalized American citizen and former employee of the American Consulate General in Bratislava was arrested by the Czechoslovak police in October 1948, held incommunicado, and sentenced to three years imprisonment for alleged espionage following a secret trial in May 1949. In April 1950 the sentence was extended to 10 years. Throughout 1949 and 1950 the Embassy made repeated but futile representations to the Czechoslovak Government seeking Hvasta's release, consular access, and information about his trial and conviction. In telegram 136, January 30, from Praha, not printed, Ambassador Briggs reported that he had that day again sought from Czechoslovak Foreign Minister Vladimir Clementis permission for the American Consul General in Bratislava to visit Hvasta in prison, and he again suggested to Clementis that the balance of Hvasta's sentence be remitted and that he be allowed to depart from Czechoslovakia (125.225H3/1–3050).

In his telegram 138, January 30, from Praha, not printed, Ambassador Briggs reported that he had emphasized to Foreign Minister Clementis the interest of the United States Government and the American press in solving the mystery of the disappearance of Noel, Hermann, and Herta Field (240.1122/1–3050). Regarding the Field case, see *ibid.* and pp. 20 ff. in this volume.

[3] In his telegram 1879, December 21, 1949, from Praha, not printed, Ambassador Briggs reported that in the course of a meeting with Foreign Minister Clementis and Czechoslovak Deputy Assistant Foreign Minister Vavro Hajdů, Hajdů asserted that a foreign government enjoyed no right to information regarding the criminal charges against one of its nationals while the case was under investigation by Czechoslovak authorities, nor did a foreign government have any right of access to a prisoner (860H.00/12–2149). In his telegram 1885, December 22, 1949, from Praha, not printed, Ambassador Briggs observed that in view of Hajdů's position, the Embassy's ability to protect American citizens in Czechoslovakia approached nil unless the Department of State was prepared to undertake some retaliatory action such as halting the travel of American citizens to Czechoslovakia (125.225H3/12–2249). Other aspects of Briggs' conversation of December 21 with Clementis and Hajdů are reported upon in telegram 1878, December 21, 1949, from Praha, *Foreign Relations*, 1949, vol. v, p. 427.

ernment denies right of consular officer to see imprisoned fellow citizen except as "favor" and not then until investigation of given case completed, which in practice may not be until after months have elapsed. In contrast U.S. procedure permits arrested foreigner communicate with his Embassy or Consulate by telephone, usually within few hours after arrest, following which consular officers usually have very prompt access to prisoner. I said my government had noted with concern adoption non-access procedure by Czechoslovakia and that although no public announcement has been made by my government, inquiring US citizens now being warned (Deptel 15, January 9 [4]).

Neither Foreign Minister nor Hajdu attempted argue case aside from latter's remarks that Czechoslovakia's procedure dates from "time of Maria Teresa." (Appropriate research section might usefully investigate this.) On other hand, they manifested no concern over information that Americans now being warned. They gave impression that Czechoslovak Government has already discounted possible effect in terms future entry US citizens.

In view this confirmation of Czechoslovak denial generally accepted protection by foreign mission of its citizens, I again suggest Department consider taking steps either (1) restricting validity US passports, or (2) adopting formal procedure to warn US citizens at time they apply for passports. Department may also wish to consider re first alternative whether it should not be applied with definite intention of "making it hurt most", i.e., specifically denying as policy matter passports to those who like Macy buyer and hop purchasers (mytel 1885) might assist Czechoslovak economy. This could be done within general framework of prohibition which might except only government employees and families, newspaper correspondents, representative of PanAm airlines for such time as contractual services being performed, etc. Prohibition would be applied against practically all others including Americans of Czechoslovak origin desiring visit families and American missionaries and students. Any such move to be effective should probably be accompanied by restrictions on Czechoslovak travel to US aimed specifically at Czechoslovak businessmen, including bearers official passports. This might imply stepping up economic warfare and involve related policy issue, for example whether we permit Czechoslovak delegation to come to Chicago fair (Embtel 87 January 19 [5]).

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[4] Not printed. It authorized Ambassador Briggs to point out to the Czechoslovak Foreign Ministry that, in view of the obvious insecurity of foreign visitors to Czechoslovakia, he felt obliged to warn American businessmen that the Embassy was in no position to offer them protection vis-à-vis the Czechoslovak authorities (849.181/1-650).

[5] Not printed. In it Ambassador Briggs asked for an expression of policy on the granting of official visas to Czechoslovak personnel participating in the First United States International Trade Fair scheduled to be held in Chicago, Illinois,

Footnote continued on following page.

As a first move, Embassy suggests immediate adoption of second alternative, i.e., warning to passport applicants.

That we have thus far had no "Vogeler case"[6] should not obscure fact that Czechoslovakia has in effect taken same position as Hungarian Government in its dealings with Minister Davis,[7] nor possibility that with local air constantly filled with denunciation of foreigners, comparable case may not develop any day in this country. Comparable cases involving other countries, notably Sweden and Holland,[8] have already occurred here.

Sent Department, repeated Budapest 7; pouched Moscow, Warsaw, London, Paris, Stockholm, The Hague.

BRIGGS

Footnote continued from preceding page.

August 7 through 19, 1950 (811.191 CH/1–1950). Telegram 69, January 27, to Praha, not printed, authorized Ambassador Briggs to decide on such visa applications in relation to local conditions and developments with a view to deriving a maximum advantage from whatever action might be taken (811.191 CH/1–1950).

[6] Robert A. Vogeler, an American citizen and an Assistant Vice President of the International Telephone and Telegraph Corporation, was arrested by the Hungarian security police in November 1949, held incommunicado, tried and convicted of espionage and sabotage in February 1950, and sentenced to 15 years imprisonment. For documentation on the efforts of the United States Government to secure the release of Vogeler, see pp. 980 ff.

[7] Nathaniel P. Davis, the United States Minister in Hungary.

[8] Holger Hjelm, a Swedish businessman, was arrested by Czechoslovak authorities in September 1949, held incommunicado for five weeks, and sentenced to three years imprisonment in December 1949 for alleged industrial espionage. At the request of the Swedish Government, Hjelm was released in January 1950 and allowed to leave Czechoslovakia. J. A. Louwers, a Dutch businessman, was arrested by the Czechoslovak police in December 1949, held incommunicado and tortured, tried and convicted for alleged economic espionage in early March 1950, and sentenced to 15 years imprisonment. He was ultimately released and allowed to leave Czechoslovakia in May 1951.

124.495/1–3150 : Telegram

The Secretary of State to the Embassy in Czechoslovakia

SECRET WASHINGTON, February 3, 1950—3 p. m.

88. In view recent expulsions US citizens from Czech, tightened Czech visa policy, attitude Czech auths Hvasta case, arrest Neth and Swed businessmen Louwers and Hjelm and other evidences Czech determination diminish contact between westerners and local population, we are in full agreement Dept is confronted with increased difficulty in protection US citizens who enter Czech ur 144 Jan 31.[1] We have consequently been warning, and will continue to warn, US citizens who inquire that this Govt can not assure them normal protection if and when they may visit Czech.

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[1] *Supra;* regarding the Hvasta, Louwers, and Hjelm cases under reference here, see footnotes 2 and 8 thereto.

That you suggested Clementis our increasing concern this connection and pointed out our informal steps re inquiring US citizens shld constitute timely intimation to Czech auths, fortified by our action in Vogeler case,[2] that if they make attempt against US citizen in Czech as Hun has done it wld provoke counter measures and lead to serious deterioration in relations between two countries.

We feel it may be advisable not to proceed any further in the matter at this time, waiting to see effect of this notice to Czech Govt and reserving such move as restricting validity US passports as possible retaliatory measure if it shld prove necessary in connection with future specific protection case.

While fully recognizing our obligations to US citizens and need for firmness with Czech Govt in their protection we wld not wish to take action which wld eliminate completely form of contact between two countries made possible by visits US citizens until we are clearly forced to do so. We are equally reluctant to go this far until circumstances permit no other course because our initiative might release chain of consequences which wld eventually affect adversely US info activities in Czech.

ACHESON

[2] Regarding the Vogeler case, see footnote 6, *supra*.

611.49/2–850 : Telegram

The Ambassador in Czechoslovakia (Briggs) to the Secretary of State

SECRET PRAHA, February 8, 1950—3 p. m.

184. To place communications matter [1] in perspective, it should be considered in connection with other issues. It seems evident from recent actions that Czechoslovakia has rejected approach suggested my first talk with Clementis last December,[2] namely that we should seek to conduct our affairs on basis largest possible "area of agreement". Reiterating their annoyance over VOA (and perhaps to themselves citing VOA as justification for current actions) Czechoslovakia seems systematically seeking whittle down "area of agreement". Recent examples in addition to current communications threat include rejec-

[1] On January 31, the Czechoslovak Foreign Ministry informed the Embassy that its telecommunications facilities with Heidelberg, in use since 1945, would be discontinued on February 15. Despite an Embassy note of February 13 seeking a reversal of the Czechoslovak Government decision or the institution of alternate communications facilities, the telecommunications circuit to Heidelberg was cut on February 15. Documentation on this subject is included in file 161.1.

[2] The conversation under reference here was reported upon in telegram 1878, December 21, 1949, from Praha, *Foreign Relations*, 1949, vol. v, p. 427.

tion of *Amerika* distribution,[3] difficulties in protection cases, interference with USIS library, misrepresentation of US Government policies coupled with press and official denunciation of high US officials, espionage charges specifically mentioning Embassy, and increasing difficulties chancery operations, for instance, housing and other personnel facilities together with threatened confiscation for use by "Communist workers" of ski chalet rented by Embassy Recreation Association for weekend relaxation.

Communications matter is merely one of series of examples of churlish or unpleasant behaviour, apparently undertaken to annoy or to harass or restrict our diplomatic operations.

How soon we wish to try to call halt, we recognize may involve broader issue of East-West relationship than bilateral US-Czechoslovakia affairs. Considering latter only, we doubt whether protest unsupported by US action likely be effective. Protests alone may produce satisfaction rather than apprehension among local Communist leaders who may conclude therefrom "now we are getting somewhere in our retaliation for VOA broadcasts".

Whether we decide to move now or later, until we do move that is until we take some action that hurts, present Czechoslovakia policy seems to us unlikely to be reversed or modified (unless of course tone down VOA, which is not recommended). Furthermore, effective action seems well within our power—probably easiest and quickest to apply being restriction or paralysis Czechoslovak transportation across Germany which we could accomplish through Military Permit Office here. We could do this through informing government that "on (date) validity of all outstanding truck permits would be cancelled, except for return of vehicles to Czechoslovakia, application for revalidation to be made to MPO Praha". We could then drag our feet on issuing new permits pending further developments. (Department may wish consider bearing this suggestion on ECA and ECE plans. I am assuming, however, that we would not describe step as "cutting communications" but as "organizing more effective channeling of traffic").

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[3] The illustrated magazine *Amerika* (in Russian and Czech editions) was written, edited, and printed in New York by the United States Government. It presented a picture of life in the United States and concentrated on articles and features of broad cultural interest. Telegram 137, January 30, from Praha, not printed, reported that during their conversation on January 31 (see telegram 144, January 31, from Praha, p. 526), Foreign Minister Clementis informed Ambassador Briggs that the allegedly increased tone of antagonism of the Voice of America broadcasts toward Czechoslovakia had caused the Czechoslovak Government to reverse its tentative decision of March 1949 to permit the distribution of the magazine *Amerika* (511.4921/1–3050). Formal withdrawal of permission to distribute *Amerika* was contained in a Czechoslovak Foreign Ministry *aide-mémoire* of March 28. In telegram 85, February 3, to Praha, not printed, the Department of State agreed with the Embassy that it would be fruitless to proceed further in the effort to obtain permission to distribute the magazine. The Department felt it would be inappropriate, however, to undertake any retaliatory actions proposed by the Embassy. (511.4921/2–150)

Such action might be doubly painful to Czechoslovakia now with barge transport frozen in. It might also be considered in connection with our Berlin truck transport difficulties, having in mind transport across US Zone Germany to Czechoslovakia doubtless carries important merchandise ultimately destined for Russia.

Other actions, mentioned in recent communications to Department, are available to us.

We are aware that retaliation on our part for Czechoslovak misbehavior, while it might help settle various currently outstanding problems, might likewise set stage for counter measures, and that we might thus be moving toward eventual break in relations.

If we correctly interpret Department's view (such as messages Deptel 85 [4] and 88 [5] February 3) we gather Department prefers us for present "to grin and bear it" rather than to precipitate matters, taking such dignified steps to assert our rights as will keep record clear but at same time not expose ourselves to unnecessary rebuffs.

We should welcome indication of general policy guidance for we apprehend time approaching when failure to take stand may be interpreted in Czechoslovakia, and perhaps elsewhere in orbit, as weakness on our part, thus encouraging further cavalier treatment our interests.[6]

Sent Department 184, repeated Frankfort 20. Department pass Moscow 5.

BRIGGS

[4] Not printed, but see footnote 3, above.
[5] *Supra.*
[6] In his telegram 218, February 13, from Praha, not printed, Ambassador Briggs reported that he met with British Ambassador Sir Pierson John Dixon and French Ambassador Jean Rivière on the evening of February 11 for a general discussion of the Czechoslovak situation along the lines described in the telegram printed here. The three Ambassadors agreed on the nature of the problem and the increasing restrictions placed on the activities of Western Embassies and undertook to report the discussion to their respective foreign ministries with a suggestion that the three governments consult with a view to adopting a common approach to the problem. (611.49/2–1350)

611.49/2–850 : Telegram

The Secretary of State to the Embassy in Czechoslovakia [1]

SECRET WASHINGTON, February 10, 1950—7 p. m.

110. As we see it from here, Czech restrictions ur 184 Feb 8 [2] and our 88 Feb 3,[3] while representing in some measure harassments imposed in that country ever since 1948, tend to follow pattern of more rapid tempo into which our relations with satellite countries are now falling generally. It is apparent during past six months restrictive policies

[1] Repeated to Frankfort as 935, to Moscow as 121.
[2] *Supra.*
[3] *Ante,* p. 528.

satellite govts toward visitors and dipl reps Western countries have been considerably intensified. We assume this has been accomplished under central direction with intention of reducing contacts with West to absolute minimum. If this interpretation correct it has been made impossible to enlarge "area of agreement" with Czech Govt, or even preserve extent of this area, in spite of your best efforts. We may well anticipate accordingly stormy period ahead of added difficulties and obstruction in Czech, as elsewhere in satellite countries, with consequent deterioration in relations with US. As you know we have reacted vigorously to such developments in Bulg and break in dipl relations may result.[4] Dept hopes that this in turn may exert favorable effect on other satellite govts.

This raises question as to our primary objective and advisable tactics as efforts are accelerated to reduce scope our operations or possibly to drive us out completely. We feel our paramount purpose and criterion of decisions as to nature, extent, and pace our counter assertion, insofar as this consonant with protection Amer citizens and defense more important Amer interests, shld be maintenance of contact with Czech people (through US info activities, Emb, and travel Amer citizens) so long as we can even if this means less forceful action at times than particular circumstances wld warrant in themselves apart from broader considerations. We are thus reluctant to take strong action precipitating consequences which might seriously impair such contact unless no feasible alternative is possible.

We fully recognize that contact with Czech people is being progressively cut down through discouragement visits Amers as result expulsions and arrests and through encroachment on our info program (*Amerika*, intimidation patrons USIS Libraries). However much we wish to preserve contact through visits Amer citizens there comes point when our obligation to protect from risk arrest and detention those who wish to travel to Czech may predominate over any other consideration, compelling Dept to deny passport facilities in such cases. But until we are clearly forced to go this far we prefer to move slowly in the interest of keeping available avenues open to Czech people. If and when complete prohibition travel necessary, it wld appear desirable to take this step in connection with specific arrest case for whatever it may be worth as pressure in endeavor to obtain release person detained. In this connection Dept has now begun formally to advise recipients of passports expressing interest in Czech in view of existing conditions in that country only absolutely essential travel shld be undertaken.

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[4] For documentation on the events leading to the severance of diplomatic relations with Bulgaria on February 20, 1950, see pp. 503 ff.

If Abbott and Johnson arrested and kept in custody (nr 174 Feb 7, 183 Feb 8 and 191 Feb 9 [5]) this may well force the issue as to status Amer citizens in Czech and require us to proceed with range of retaliatory measures which Emb and Dept have had under study including prohibition of travel Amer citizens, denial of visas for attendance Chicago Trade Fair and similar purposes, closing of Czech consulates here, etc. Our feeling now is interference Czech transportation Ger through denial military permits for trucks might better be held in store for present because of complications it wld involve in relation HICOG and West Ger and likelihood even greater need in future for exertion pressure through measures this type. Meanwhile we are keeping careful watch over developments reported in case Abbott and Johnson with view, if necessary, not only to extending maximum assistance in their protection but to using this as advantageous case to deal with issue in principle of Amer rights.

ACHESON

[5] None printed. They reported on the case of Stanley E. Abbott and C. Aldon Johnson, American citizens and missionaries of the Church of Jesus Christ of Latter Day Saints, who were arrested by Czechoslovak authorities in Moravia in late January, held incommunicado and interrogated regarding alleged acts of espionage, and summarily expelled from Czechoslovakia on February 23, 1950. A report on their arrest, detention, and expulsion was transmitted in despatch 7, March 1, from Basel, not printed (249.1111/3–150).

511.4921/2–850 : Telegram

The Secretary of State to the Embassy in Czechoslovakia [1]

SECRET WASHINGTON, February 21, 1950—7 p. m.

131. Embtels 137, Jan 30; 146, Feb 1; 187 and 188, Feb 8; and Deptel 85, Feb. 3.[2] Dept appreciates weight arguments favoring Emb's recommendations re reciprocation and retaliation for Czech refusal permission distribution Czech edition *Amerika* Magazine but unable endorse such action.

Since Commies constantly strive confuse issues of principle, especially those which are fundamental strengths of democracy, they will, disregarding their own record, possibly make effective worldwide propaganda use opportunity presented by apparent US violation fundamental Amer principle freedom of info if we are ones to take initiative in officially eliminating existing non-subversive publication circulated by a Fon Govt. Fine distinctions leading to such Amer action wld not be understood by liberal world opinion, even if we had facilities to make details fully clear everywhere.

[1] This telegram was repeated to Sofia, Bucharest, Budapest, Belgrade, Moscow, Warsaw, and Frankfort.

[2] None of the referenced messages are printed, but regarding telegrams 137 and 85, see footnote 3, p. 530.

As illustrated by Sov caution in attempt eliminate Russ edition *Amerika* Mag, Commies recognize importance ostensible solicitude principle freedom info. It possible delay in promised Czech *aide-mémoire*, to confirm Clementis' oral refusal circulation, ascribable reluctance take such position in writing while possibility exists we may assume onus initial infraction principle freedom info respecting existing pubs.

Aside from issue principle, Dept considers protection USIE operations behind "Curtain" may not be possible by measures reciprocation or retaliation which probably more likely offer pretexts accelerate demise USIE local operations. Dept believes Kremlin has decided nullify or eliminate USIE work behind Curtain over period of time. Maximum US gain will come from keeping USIE operating effectively as possible long as possible.

Division of Amer domestic opinion at present time is such that arbitrary measures taken here to eliminate distribution of any Sov or Satellite pubs might have serious repercussions. Temper of Amer people might bring, from one sector public opinion, cry of police state; pressure likely from other quarters for precipitate anti-Commie action. Neither desired by Dept.

Re retaliatory action on either *Czech Economic Bulletin* or *Czech Life*, fol is legal position:

No statute exists for US official control contents or distribution. Neither pub required register under Foreign Agents Registration Act. Provision in act grants exemption to "a duly accredited diplomatic or consular officer of a foreign Gov who is so recognized by the Dept of State, while said officer is engaged exclusively in activities which are recognized by the Dept of State as being within the scope of the functions of such officer".

Dept has previously recognized issuance of *Sov Info Bulletin*, *Czech Economic Bulletin*, and *Czechoslovak Life* and pubs of other Embs as being within the scope of functions of an officer of an Emb or Consulate of a duly recognized gov in the US. For the Dept to take unilateral action against Czechs and withdraw permission for this recognized function of a mission wld lead to result that US wld be put in awkward position, which Dept not willing incur in this case, of denying to Czechs that which is granted to Embs of other Govts in Washington. Also, Dept wld thereby commencing process of restricting previously permitted range of diplomatic or consular activities, thus giving opening to Commie Govts.

In view these considerations if Czechs determined prohibit *Amerika*, Dept does not believe it can with existing means change situation. Furthermore, US Govt machinery not easily adaptable conduct contest with Commie authorities in matters administrative "delay" such as slowdown customs or postoffice handling printed matter.

Dept feels free distribution *Amerika* on largest scale possible through libraries (Deptel 85, Feb 3) best approach this time.

Dept interested in obtaining further gain if possible from further prof of Commie fear of free info. To do so our hands must be clean.

Dept considers that denial of visas (Deptel 110, Feb 10 [3]) as a retaliatory measure shld be reserved for a specific case at a future date.

ACHESON

[3] *Ante*, p. 531.

611.49/2–1850 : Telegram

The Secretary of State to the Embassy in Czechoslovakia

SECRET WASHINGTON, February 22, 1950—2 p. m.

135. If Abbott and Johnson [1] are not released in nearest future, we believe active steps must be taken to exert pressure in their behalf. While informing FonOff decision to close Mormon Mission may possibly expedite release two missionaries ur 239 Feb 17,[2] we realize apparent Czech tactic in all our pending questions with FonOff is to avoid issue and to delay even when decision may have been taken not to comply with our request ur 246 Feb 18.[2] We are therefore inclined to feel time is at hand to let Czech Govt know it cannot proceed on this course without serious deterioration relations between two countries. If you consider it helpful in light Bul developments you are authd to take fol step.

You may seek frank interview with Gottwald [3] if feasible, or Clementis otherwise, for basic review of present state US-Czech relations. You may point out your earnest efforts ever since accreditation to assure the existence of tranquillity and mutual accommodation between two govts by extending area of agreement, only to be met with series of cases (Hvasta, particularly latest development, Bratislava's 7 Feb 16; [4] *Amerika;* [5] arrests ur 201 Feb 11; [6] termination telecommunication services; [7] two missionaries; etc.), in which Czech

[1] Regarding the Mormon missionaries Abbott and Johnson, released from Czechoslovak custody on February 23, see footnote 5, p. 533.

[2] Not printed.

[3] Klement Gottwald, President of Czechoslovakia and Chairman of the Czechoslovak Communist Party.

[4] Regarding the Hvasta case, see footnote 2, p. 526. The telegram under reference here, not printed, reported that Hvasta appeared to have been transferred from the prison where he was serving his sentence for alleged espionage. (125.225H3/2–1650)

[5] Regarding the *Amerika* issue, see footnote 3, p. 530.

[6] Not printed; it reported that the Slovak police had arrested a number of persons as they departed from a film exhibition at the United States Information Service Library in Bratislava on February 10 (511.49/2–1150).

[7] Regarding the suspension of the Embassy's telecommunications facilities to Heidelberg, see footnote 1, p. 529.

has not shown same spirit. You may then state that in these circumstances you are requested by your Govt to ask two questions: (1) What is ultimate purpose Czech Govt in exhibiting attitude so much at variance with Emb's approach and normal standards internl relations; (2) what is US to infer from position taken by Czech Govt in this series of cases.

You may continue in fol vein: For some time past US Govt has been keeping this situation under close review and in its opinion case of two missionaries finally brings question of relations between two govts to point where most careful joint examination needed to see where we are going. It is not clear whether attitude of Czech Govt is deliberately provocative or is still subject to reasonable negotiation. If the Czech Govt persists in its course, it will be aware relations with US will inevitably deteriorate and it wld be impossible to foresee where train of consequences arising from actions both govts might lead. US is reluctant to embark on this road and hopes that every effort may be made to maintain relations between two govts on basis normal internatl intercourse. Czech Govt will doubtless realize, however, US, like any other nation, cannot be expected to accept passively rejection of its efforts to place our mutual relations on basis reciprocal accord and will, although regretful that circumstances require it, take such steps as may be considered necessary to protect Amer citizens and otherwise defend its rights. These are recognized in internatl law and by US as belonging to every country with which it maintains dipl intercourse. Case of two missionaries affords occasion for Czech Govt to clarify its intentions and to reveal character it wishes our mutual relations to have in future.

FYI we recognize, as suggested, Deptel 110 Feb 10,[8] we shall in all probability eventually be forced operate in all our missions satellite countries under such restrictions as imposed on Amembassy Moscow. While we wish to make every effort delay process we believe advantages in maintaining relations are such we shld not force show-down on issue status Emb ur 218 Feb 13.[9] On other hand we take most serious view arbitrary arrest and detention these Amer citizens and we are now considering taking such retaliatory measures as may be feasible if appropriate wait after interview outlined above shows no tangible effect on obtaining release Johnson and Abbott.

ACHESON

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[8] *Ante*, p. 531.

[9] Not printed, but see footnote 6, *ibid.*

749.13/3–1550 : Telegram

The Ambassador in Czechoslovakia (Briggs) to the Secretary of State

SECRET PRAHA, March 15, 1950—4 p. m.

375. As Department is aware, rumors and reports of Clementis' impending disappearance from local scene have long been current but his fall at this particular time [1] was complete surprise to all western observers and few Czechs Embassy has so far been in touch with. No information even purporting to be reliable yet available but Embassy believes it likely resignation was suddenly precipitated either by (1) some disagreement, perhaps important and perhaps straw-that-broke-camel's-back type, within government and party, or (2) sudden implication of Clementis in deviationist activities, probably by Novy.[2]

Coldness of Gottwald's acceptance of resignation indicates Clementis out of favor but fact he was allowed resign voluntarily points to likelihood first hypothesis and indicates he may continue at liberty but shorn of all responsibility. Some speculation by western observers tends toward second spectacular hypothesis, in which case Rajk [3] type trial involving Clementis, Novy and other minor figures not excluded.

In any event resignation seems likely further prejudice Czechoslovak relations with West, as whoever successor may be it is doubtful he will exercise even minimum moderating influence of Clementis. Fierlinger [4] has had long-standing ambition for post but Siroky's temporary appointment makes him probable choice for permanent nomination. Although he speaks neither English nor French, and is known more for ruthless faithful adherence to party line than for intellectual capacity, Siroky is said by those who know him to have

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[1] Clementis' resignation as Foreign Minister was announced on March 14. It was also announced that Viliam Široký, Czechoslovak Deputy Prime Minister, Chairman of the Slovak Communist Party, and member of the Presidium of the Czechoslovak Communist Party, would assume direction of the Foreign Ministry. Clementis was arrested in 1951, was tried and convicted of treason in the "Slansky Trial" of 1952, and executed. For an authoritative account of the circumstances of Clementis' resignation, as demanded by the Czechoslovak Communist Party leadership because of his alleged "bourgeois nationalism" and his hostility to the USSR, see Jiří Pelikán, ed., *The Czechoslovak Political Trials 1950–1954: The Suppressed Report of the Dubček Government's Commission of Inquiry, 1968* (Stanford, California : Stanford University Press, 1971), pp. 87–90.

[2] Vilém Nový, member of the Central Committee of the Czechoslovak Communist Party and editor of the Party newspaper, *Rudé Právo*, until his secret arrest in the autumn of 1949. Rumor of Nový's arrest had reached the Embassy.

[3] László Rajk, former Hungarian Minister of Interior and Foreign Minister and a leader of the Hungarian Communist Party, was tried and convicted with seven others in Budapest in September 1949 of treason and war crimes, and was executed the following month.

[4] Zdenék Fierlinger, former Czechoslovak Social Democratic leader, wartime Ambassador to the Soviet Union, and first postwar Czechoslovak Prime Minister; in 1950, Deputy Prime Minister and member of the Presidium of the Czechoslovak Communist Party.

moral integrity in carrying out commitments to which he agrees. We are therefore inclined to regard him as preferable to Fierlinger from our point of view.

Sent Department 375, repeated Moscow 15, London 45, Paris 51; pouched Budapest, Belgrade, Warsaw. Department inform Army.

BRIGGS

749.00/3–1650 : Telegram

The Ambassador in Czechoslovakia (Briggs) to the Secretary of State

SECRET PRAHA, March 16, 1950—noon.

377. In Embtel 317 March 11, 1949 [1] and supplementary airgrams brief summary of most significant developments during first year completely Communist dominated government was attempted. This telegram and supplemental despatches present similar review trends and developments of second year completely Communist-Czechoslovakia.

First substantive paragraph reftel can be applied word for word to year ending February 1950. Past year witnessed completion of framework based on foundations previously laid but progress uneven with major tasks implementing program still to be done in rural areas, correlation of wages and production, and consolidation of party particularly at lower levels. Opposition not solidified in any positive way. Prevailing attitude of man-in-street is still "when will west liberate us?" and in large sectors of party and its supporters, negative disillusionment or apathy.

During past year, particularly since enunciation Cominform vigilance and "peace" lines last November, Czechoslovakia has identified itself with USSR with increasing vehemence.

However, among year's most interesting trends are those indicating that, for the present at least the Czechoslovak Communist state is to be permitted some latitude in developing along lines which reflect basic differences between Czechoslovakia–Soviet Union on one hand and between Czechoslovakia and other people's democracies on other. These developments which belie easy generalization that "Czechoslovakia is being remade in Soviet image" but which nevertheless do not indicate slightest deviation from Kremlin line, include: continued maintenance Czechoslovakian CP as mass party with swollen membership of some two million: visible rise in standard of living: continuance of national front; and with exception large scale roundup in

[1] Not printed.

October, displacement bourgeois class proceeding at relatively moderate tempo.

Of three significant sectors Czechoslovakian life not under complete Communist control and direction at beginning 1949, farmers, small shopkeepers, and Catholic Church, considerable progress has been made in dominating latter two. Church laws of October 1949 and other actions during year have almost destroyed Church's ability act with any independence as integrated organ but spiritual unity and capacity for passive resistance are still far from broken. Nationalization of retail trade to present level of 80 percent was one of year's most spectacular accomplishments but action has been limited essentially to changing shop signs and large job of consolidating change remains to be done. Further groundwork has been laid for rural collectivization through unified agricultural coops but government is proceeding in this sector slowly and cautiously and has not yet made substantial progress in "socialization of countryside".

In its attitude toward USSR Czechoslovakia has attempted to compensate for its lack so far of a Kostov,[2] Rajk, or Gomoulka,[3] by vehemence of its public protestations of loyalty typified by unprecedentedly elaborate and idolatrous celebration Stalin's 70th birthday, assiduous unearthing of "foreign inspired" anti-state plots and by energetic participation "peace" movement. With exception of Albania, mutual aid alliances have been completed with all sister satellites, while reorientation of trade to East proceeded at much faster rate than originally anticipated. Public increasingly exhorted accept East Germany as peaceful peoples democracy. Commercial relations with Yugoslavia dutifully broken.

Degree of support of and opposition to regime remains most difficult to assess. Continual "education" and reorganization in government and industry undoubtedly leave regime in stronger position re loyalty in personnel than year ago. However, price is being paid in efficiency, experience and ability of personnel. While growth of potentially effective opposition has probably been arrested, disillusion and cooling of support in previous sympathetic or ardently Communist sectors has not. Education, exhortation, and workers' incentives have won certain support but this has been at least balanced and probably over-balanced by hardening of opposition, killing of initiative and discouragement resulting from inability make theories of "criticism and self-criticism" operate satisfactorily by coercive methods.

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[2] Traicho Kostov, former Bulgarian Deputy Prime Minister and Bulgarian Communist Party Politburo member, and nine others, were tried and convicted in December 1949 of various anti-State activities. Kostov was executed the same month.

[3] Władysław Gomulka was removed as Secretary General of the Polish Workers' Party in August 1948 and resigned from his positions as Deputy Prime Minister and Minister of Recovered Territories in January 1949.

Outstanding events and developments of past year include Ninth CP Congress in May which laid down 10 point program still considered valid directive; expulsion almost all resident foreigners: increasingly intense unearthing and exploitation anti-state activities; generally adequate quantitative but qualitatively spotty fulfillment industrial production plans; some rise in standard of living including improvement in food situation; reorganization of government and industry; practical elimination of private retail trade; October round-up and sentencing to labor camps of some 10,000 bourgeois, passage of Church laws.

Number one problem for coming year is "socialization of countryside". Regime will also continue to be plagued by problems of manpower, raw materials, foreign exchange and trade with West; of increasing productivity of definitely unenthusiastic industrial workers; of making loyal and effective instrument of mass party still riddled with unreliable elements; of keeping passive resistance cowed by fear and terror; of combating apathy engendered by authoritarian methods and kept alive by trust in eventual liberation by West; of necessity for continually "sharpening class struggle"; and of continuing battle with Church.

In summary Embassy feels now, as last year that despite tremendous problems and lack of popular support, there is little reason to hope that in absence of decisive change in international situation regime will not continue to consolidate its power and maintain economy on going, if uneven basis.

Sent Department 377; pouched Moscow, Belgrade, London, Paris, Vienna, HICOG, Frankfort, Bucharest, Budapest, Warsaw.

BRIGGS

649.00/3-2450 : Telegram

The Secretary of State to the Embassy in Czechoslovakia [1]

SECRET WASHINGTON, March 28, 1950—7 p. m.

230. Recd from Brit Emb here copy of Dixon's Desp urtel 364 Mar 13 [2] and can now give more definite view on his proposal. Favor-

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[1] Repeated to London as 1400, to Paris as 1353, and to Moscow as 253.

[2] Not printed. It reported that British Ambassador Dixon had suggested to his Foreign Office that the Western powers take some "prophylactic action" to forestall further Czechoslovak attacks on Western missions instead of waiting like "sitting ducks" for probable future attacks. Dixon proposed that the Czechoslovak Foreign Ministry be advised that the United States, the United Kingdom, and France had no intention of allowing themselves to be maligned by additional "prepared confessions," and that another spy trial would have "unforeseen consequences" for Czechoslovak relations with the West. (649.00/3-1350) Telegrams 400, March 21, from Praha, and 1665, March 28, from London, neither printed, indicated that the British Foreign Office was initially inclined to disapprove

ably impressed by Dixon's general line of argument concurring prospect major trial with attack against principal fon missions, advantage of taking preventive action if possible, and desirability tripartite approach.

We feel, however, substantive approach to Czech Govt shld be somewhat different from that envisaged in Brit desp so as to avoid specific reference to impending trial and too explicit threat of "unforeseeable consequences". Accepting Dixon's analysis of situation and taking into acct nr suggestions Embtel 423 Mar 24,[3] we propose fol *démarche* unless you see objection.

New admin in FonOff represented in replacement Clementis by Siroky wld be utilized as point of departure for attempt at comprehensive and forthright survey state of relations between US and Czech Govts. Appointment wld be obtained with Fon Min soonest for this purpose.

Conversation with Siroky might begin, after suitable exchange of courtesies on assumption of his new duties, with expression our feeling this appropriate time to take stock together of character future relations US and Czech. He wld appreciate this subject must be matter of concern to both Govts in view developments in Bul and Hun (discreet reference might be made here to inclusion point 6 in Secy's Berkeley speech Mar 13[4]). He was doubtless keenly aware, as were we, of uncertainty which seemed to govern our day to day relations. In spite differences in our two systems of govt we wld like for our part to explore whether some more stable basis of dipl contact possible. With this in mind we had previously attempted to suggest area of

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Dixon's proposals, but telegram 2034, April 14, from London, not printed, reported that Dixon had been authorized to act at his discretion along the lines of his proposal, but the Foreign Office preferred that the United States and the United Kingdom each proceed in its own way in the matter (649.00/3–2150, 649.00/3–2850, and 649.00/4–1450). Telegram 263, April 10, to Praha, not printed, stated that the Department of State had been informed by the French Embassy that the French Foreign Ministry disapproved of parallel action by the French Ambassador in Czechoslovakia along the lines of Ambassador Briggs' pending approach to Foreign Minister Široký. The French were apparently deterred from such action by the desire not to jeopardize the outcome of current negotiations with the Czechoslovak Government of a number of issues including the question of compensation for nationalized property. (649.00/4–550)

[3] Not printed. In it Ambassador Briggs reviewed the various lines of conduct which might be undertaken vis-à-vis the Czechoslovak Government: (1) no action, but await events; (2) the action proposed by British Ambassador Dixon; (3) a retaliatory move without prior announcement or discussion; (4) a unilateral American *démarche* to Czechoslovak Foreign Minister Široký recapitulating previous understandings of the modalities of American-Czechoslovak relations and asking the purpose of the current Czechoslovak campaign of hostility toward the United States. (649.00/3–2450)

[4] The reference here is to an address on the tensions between the Soviet Union and the United States made by Secretary of State Acheson at the University of California at Berkeley, on March 16, 1950; for the text, see Department of State *Bulletin*, March 27, 1950, pp. 473–478. Point 6 of the address commented upon the mistreatment of American official diplomatic representatives and urged Soviet leaders to cooperate with the United States to the end that official representatives of all countries would be treated everywhere with decency and respect.

agreement where current dipl problems between two govts might be solved successfully and had given assurances re conduct Emb personnel (ur 423 Mar 24). If, on part Czech Govt, it cld be demonstrated long accepted standards internatl intercourse wld be observed we believed basis existed for stabilization our dipl relationship.

It seemed clear Czech Govt derived certain advantages from maintenance dipl relations, particularly through activities Czech ConGen in New York and work of Mil Permit Office in Prague. We hoped no circumstances wld arise to change this situation and we wld be reluctant to take any step leading to such changes. We were interested in seeing removed the factors of instability in our mutual dipl relationship but if incidents shld occur not in conformity with accepted dipl standards and in disregard Amer rights, he wld understand we wld be obliged to act in our own protection even if this shld seriously affect certain aspects dipl relations between two govts (this point wld be made in terms of aspects our relations in order to avoid any suggestion possible break).

If Czech Govt cld view the problem in this perspective and so give evidence its good faith by avoiding unfounded charges against Amercits and Amer Emb we saw possibility of achieving more normal dipl situation to our mutual advantage. US followed no set pattern of dealing with the states East Europe and wld be guided in its policy by concrete behavior of each toward US. We felt obliged to stress these considerations as he took charge of Min for much wld depend during months ahead on intentions toward Amercits and Amer Emb revealed by Min and other agencies Czech Govt as to whether stable relations cld be achieved or whether serious prejudice to many aspects those relations wld result.

You may present this suggestion to Brit and Fr Ambs to learn if their Govts wld care to make separate but parallel approaches this general type which may obviate certain objections Brit FonOff to Dixon's original proposal (ur 400 Mar 21 [5]). We consider tripartite action in matter offers more hope of making some impression on Czech Govt and weakness of West position in satellites to date has been absence in general such concerted efforts in protection our missions. If tripartite course not possible you may inform Brit and Fr we deem it necessary to act along foregoing lines even if unilaterally.

If our representations shld have no effect in deterring Czechs from some dramatic step against us then we shall probably be forced to take retaliatory measure such as closing consulates here, administrative action to reduce Czech imports US, (for example, holding up Consular invoices) or possible denial mil permits. At same time we wld make every effort to avoid total collapse of relations. This course might at least put Czech Govt on notice in very general terms of risks in-

[5] Not printed, but see footnote 2, above.

volved in reckless attack on Emb. Result might determine whether Czech Govt has some slight degree freedom of action in dealing with West Govts or whether it is already launched on externally prescribed course of provocation likely to end eventually in complete break.

ACHESON

Editorial Note

On March 24, 1950, crew members of three Czechoslovak domestic airliners, seeking political asylum outside Czechoslovakia, diverted their aircraft to a United States military airfield at Erding, near Munich, in the United States Zone of Occupation of Germany. Once in West Germany, 26 of the 85 Czechoslovak citizens aboard the three aircraft decided to seek asylum, while the remaining 58 were permitted to return to Czechoslovakia on March 28 after questioning. In separate notes of March 30 to the American Embassy, the Czechoslovak Foreign Ministry demanded the extradition of the eight Czechoslovak aircraft crewmen accused of planning and carrying out the escape "as common criminals for penal prosecution" and protested against the interrogation and general treatment of some of the passengers of the aircraft who chose to return to Czechoslovakia. On April 6, on instructions of the Department of State, the Embassy delivered a note to the Foreign Ministry rejecting the extradition demand and reaffirming the intention of the United States Government to continue to honor the right of political asylum. In a separate note of April 6 to the Foreign Ministry, the Embassy refuted the charges regarding the treatment of Czechoslovak passengers at Erding airfield, reviewed recent cases where Czechoslovak authorities had detained American citizens incommunicado for long periods of time, and indicated the hope that permission by American authorities for consular access to Czechoslovak citizens at Erding would be a precedent to be followed by Czechoslovak authorities in similar circumstances. For the texts of the exchanges of notes of March 30 and April 6, see Department of State *Bulletin*, April 17, 1950, pages 595–599.

In an eight-page note of April 25 to the Embassy in Praha, the text of which was published in the Czechoslovak press and read over the state radio, the Czechoslovak Foreign Ministry renewed its demand for the extradition of the Czechoslovak air crew members allegedly responsible for the diversion of the three aircraft to Erding airfield. In a note of April 27, the text of which was released to the press in Praha on April 28 and in Washington the following day, the American Embassy amplified its earlier description (the note of April 6) of the courteous and correct treatment of the Czechoslovak passengers aboard the planes diverted to Erding. On April 28, at the instruction

of the Department of State, the Embassy presented to the Czechoslovak Foreign Ministry a note, the text of which was not made public, informing that the investigation of the Erding landings had been completed and that the three aircraft were available to the Czechoslovak Government for return as soon as appropriate arrangements were made. The note also asked, but did not demand, that the Czechoslovak Government publish the Embassy notes of April 6 and April 27 regarding the cooperation and hospitality accorded by the American authorities at Erding to Czechoslovak citizens and officials. Following the completion of necessary arrangements, the three Czechoslovak aircraft were flown from Erding to Czechoslovakia by Czech crews on May 3. Documentation on the notes and events described here is included in the Department of State archives in file 949.5262A.

Editorial Note

On April 12, 1950, following his arrest and interrogation by the Czechoslovak police on April 6 and his release the following day, Ivan Elbl, a Czechoslovak citizen employed by the United States Information Service Library in Praha, resigned his post. Elbl's resignation statement, denouncing the USIS and its library, accusing American Embassy Press Attaché Joseph C. Kolarek of directing a propaganda campaign against the Czechoslovak state, and warning that Czechoslovak employees of the American Embassy were committing treason, was distributed by the official Czechoslovak news service and was prominently published by the Praha newspapers. In a note of April 12 to the Czechoslovak Foreign Ministry, the American Embassy requested the Czechoslovak Government to publicize an official correction of the Elbl statement and to give assurance that it had no objections to the employment of Czechoslovaks by the Embassy. For the text of the Embassy's note, see Department of State *Bulletin*, April 24, 1950, page 632.

On April 13, at the close of a one-day trial, the Czechoslovak State Court sentenced Lubomir Elsner and Dagmar Kačerovska, Czechoslovak citizens employed by the USIS in Praha as translators until their arrest by the police in March 1950, to 18 and 15 years imprisonment, respectively, for alleged acts of espionage and anti-State activities in connection with their work at the USIS under the direction of Embassy Press Attaché Kolarek. In a statement issued to the press on April 14, the Department of State expressed grave concern over the Czechoslovak Government's "deliberately planned propaganda attack" against the American Embassy aimed at discrediting the USIS, as evidenced by the Elbl resignation statement and the Elsner–Kačerovska trial. For the text of the statement, see Department of State

Bulletin, April 24, 1950, pages 632–633. In a sworn affidavit, the text of which was presented to the Czechoslovak Foreign Ministry under cover of a brief note of April 15, Katherine Kosmak, an Embassy Assistant Attaché and Director of the USIS Library in Praha, described the attempt by Czechoslovak security police to persuade her to defect in connection with the arrest and resignation of USIS employee Elbl. For the texts of the note and the affidavit, released to the press in Washington on April 21, see *ibid.*, May 1, 1950, pages 685–686.

611.49/4–1550 : Telegram

The Ambassador in Czechoslovakia (Briggs) to the Secretary of State

SECRET PRIORITY PRAHA, April 15, 1950—5 p. m.

546. Embtel 530.[1] Had 2½ hour meeting with Foreign Minister today Vice Minister Hajdu translating and Penfield[2] present my request.[3] Conversation courteous but generally limited on both sides to frankly expressed disagreements. There was no meeting of minds and Siroky gave no indication he was in any way convinced or influenced. What effect interview will have therefore remains be seen, although there is no question but that Foreign Minister now correctly understands position our government takes.

After exchange amenities I opened conversation by recital of statement as per Deptel 230, March 28,[4] (no text used or left with Foreign Minister[5]). Siroky listened attentively, impassively, and without interruption. He then replied by declaring Czechoslovakian policy remains unchanged over considerable period and "instability in our relations therefore solely fault of US." To illustrate, he mentioned four matters:

1. US refuses permit export goods, including those bought and paid for by Czechoslovakia (latter obviously reference to steel mill).
2. Czechoslovakia's export trade with US has been almost cut off.

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[1] Not printed; it reported that an appointment with Foreign Minister Široký had been arranged (124.493/4–1450).

[2] James K. Penfield, Counselor of Embassy.

[3] In addition to the report presented in this telegram, Ambassador Briggs transmitted supplementary comments on his conversation with Foreign Minister Široký in a memorandum sent as an enclosure to despatch 397, April 18, from Phaha, neither printed. Ambassador Briggs observed in that memorandum that Široký handled himself during the conversation with dignity and reasonably friendly attitude, and he impressed the Ambassador "as being shrewd, able, cold, probably ruthless, and a strong character". Moreover, Široký displayed a greater readiness to talk, argue, and express opinions than former Foreign Minister Clementis. (611.49/4–1850)

[4] *Ante*, p. 540.

[5] A copy of the text of Ambassador Briggs' oral declaration to Široký was transmitted as an enclosure to the despatch identified in footnote 3, above.

3. US is holding Czechoslovakian planes in Germany, US officials maltreated Czech passengers desiring return, and US has refused extradition "criminal kidnappers".[6]

4. USIS and Embassy Press Attaché Kolarek have been engaging in improper activities as "proved" by statements Czech employees.[7]

In rebuttal I declared:

1. Our export restrictions not discriminatory but based on national defense. I told Minister Finance last January any Czechoslovakian proposal for steel mill problem would receive Embassy's careful consideration and prompt transmission Washington.

2. I not aware details decrease Czechoslovakian export to US but thought might be due preference private American buyers and/or difficulties American businessmen in proceeding Czechoslovakia to buy.

3. I emphasized illegal nature entry into Germany of 3 Czechoslovakian planes and pointed out reasonableness holding them until investigation of serious charges made by Foreign Office had been completed. Re charges, I said we regarded them as unfounded and referred terms my opening statement ("if Czechoslovakia would avoid making unfounded charges against American citizens, etc.") and also Czechoslovakia's accusations as illustrating incidents not in conformity with accepted diplomatic standards.

4. I referred circumstances of arrest of Czech USIS employees as destroying in view of my government validity of statements they made, and I left with Siroky copy wireless bulletin item on Department's yesterday statement re trial.[8]

I also left with Foreign Minister copy of Secretary's Berkeley address.[9]

Further rebuttals and counter-rebuttals followed without however Siroky's modifying initial assertions. Only two other statements made by Foreign Minister of interest here:

1. Foreign Office is "considering" situation of USIS and Kolarek in light of statements made by Czech employees. To this I replied by declaring Kolarek has engaged in no improper activities and that USIS operations always been conducted properly and in open. We have always welcomed scrutiny these activities and if Foreign Office has any questions about them, Penfield at disposal appropriate Foreign Office officials for discussion or elucidation.

2. Trial of Nechansky and Wahl [10] imminent which Siroky declared (obviously with relish) would prove Meryns involvement in espionage

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[6] See the editorial note, p. 543.

[7] See the editorial note, p. 544.

[8] The Department of State Wireless Bulletin was the official news service of the Department. It was prepared in the International Press and Publications Division and transmitted overseas daily for the information of Foreign Service Officers and for publication of appropriate parts in the foreign press. The Wireless Bulletin for April 14 featured an item reporting at length on the Department of State's press statement of April 14 commenting on the Elbl resignation and the Elsner–Kačerovska trial. Regarding the statement, see the editorial note, *ibid.*

[9] Regarding the address under reference here, see footnote 4, p. 541.

[10] Following a four-day trial ending on April 22, former Major Jaromir Nechanský and law-student Veleslav Wahl and four other Czechoslovak citizens

and fact that President Gottwald in releasing Meryn [11] had made move toward better relations which US had not reciprocated. Foreign Minister sought make point "courtesy" his government in informing us this trial and said Embassy would be invited have representative present. I observed that I knew nothing whatever of Czech individuals referred to and that in any case Embassy had believed Meryn case closed by his release.

Recommendations follow.[12]

Sent Department 546, repeated London 60, Paris 65, Moscow 27. Department pass Moscow.

BRIGGS

were convicted as members of a spy ring allegedly guided by officers in the American Embassy. Nechanský and Wahl were sentenced to death. Testimony during the trial implicated a number of former Embassy staff members as alleged spy ring leaders.

[11] Samuel Meryn, a translator employed by the Military Attaché in the Embassy in Praha, who was arrested by the Czechoslovak police on October 21, 1949, held incommunicado until October 29, and whose release from custody and departure from Czechoslovakia on November 8 was effected as a result of Ambassador Briggs' initial conversation with President Gottwald that same day. That conversation was reported upon in telegram 1671, November 8, 1949, from Praha, *Foreign Relations*, 1949, vol. v, p. 412.

[12] See telegram 547, April 15, from Praha, *infra*.

611.49/4–1550 : Telegram

The Ambassador in Czechoslovakia (Briggs) to the Secretary of State

SECRET PRIORITY PRAHA, April 15, 1950—6 p. m.

547. Considering meeting described immediately preceding telegram [1] we see no impelling reason modify recommendations contained Emtel 543, April 15.[2] We may hope approach has given Czechoslovakia pause but as of now this is merely hope. Also, our approach and our offer provide any information Czechoslovakia might desire re information program may postpone for few days (rather than eliminate probability of) action against USIS and Kolarek.

If therefore Department agrees with Embassy view that Czechoslovakia has given us already by treatment our local employees provocation to support retaliatory action such as closing Czechoslovak Consulate, we think that should be done, even though that would doubtless precipitate Czechoslovak action and consequently curtail USIS functions few days earlier than otherwise likely. Advantages (*b*) and (*c*) mentioned second paragraph Emtel 543 would remain.

[1] Telegram 546, April 15, from Praha, *supra*.

[2] Not printed. In it Ambassador Briggs observed that the provocative action of the Czechoslovak Government required American retaliatory action. Briggs recommended the closure of the Czechoslovak Consulate in Chicago and the closure of the remaining Czechoslovak Consulates when, as was probable, Czechoslovakia demanded the closing of the American Consulate in Bratislava. (611.49/4–1550)

If on other hand Department prefers wait and see whether Czechoslovakia is prepared mend its ways as result of conversation, then we recommend that all preliminary steps, drafting, et cetera be completed by Department so that as soon as Czechoslovakia demands elimination USIS or declares Kolarek *persona non grata* we can immediately on same day ourselves take action, including public statement our reason for so doing.

Another retaliatory measure which we believe warranted by Czechoslovak conduct, likely be endorsed by US public opinion, and which Czechoslovakia unquestionably would feel, would be withdrawal invitation participate Chicago Fair.[3]

Department also reminded that from references by Foreign Minister to coming trial of alleged Czechoslovak associates of Meryn,[4] government evidently intends make this "major attraction" and to bring spectacular charges before Czechoslovak public of espionage certainly and probably of other matters. Trial may constitute major propaganda onslaught on US in general and Embassy in particular.

Sent Department 547, repeated London 61, Paris 66, Moscow 28, Department pass Moscow.

BRIGGS

[3] Regarding the Chicago International Trade Fair, see footnote 5, p. 527.

[4] The reference here is to the Nechanský-Wahl trial; see footnotes 10 and 11, *supra*.

611.49/4-1550 : Telegram

The Secretary of State to the Embassy in Czechoslovakia

SECRET WASHINGTON, April 17, 1950—7 p. m.

281. Urtel 546, Apr 15.[1] We conclude fm your report on *démarche* attitude Siroky consistently negative and consequently assume Czech Govt will probably continue on deliberately provocative course by orders Kremlin designed eliminate or paralyze USIS activities and reduce Emb to status Fon missions Moscow. We also take account prospect Kolarek's expulsion in matter days.

Nevertheless we doubt advantage taking retaliatory steps before demand for recall Kolarek or other direct action against Emb. Since we have made approach to FonOff, even tho Siroky not responsive that time, it wld appear essential give opportunity to Czechs reflect on our position and possibly consult Moscow before we can be certain whether interview will have had any positive effect. Decision Czech Govt re Kolarek shd provide sufficient test any modification in attitude.

[1] *Ante*, p. 545.

We seek moreover build for ourselves best possible case for world opinion as to our scrupulous regard for principle free exchange info and observance normal dipl practices so all onus will be on present regime for any action we are forced take in departure fm such standards in protection Amer rights.

Finally if at all possible to save our info program in Czech by deferring retaliation until known whether Kolarek recalled we wld wish to do so.

If however Kolarek recalled, we shall consider first fol possible retaliatory measures: (1) Notify Czechs their informal approach made here ascertain whether possible open Trade Commissioner's Office in San Francisco cannot be regarded favorably view circumstances that have recently developed in relations two countries (even in absence provocative incidents we wld have taken position no need this kind of office since usual practice Fon Govts to promote trade thru consular offices and since Czechs have no important trading interests on Pacific coast); [2] (2) close Czech consulate in Chicago. Latter action shd suggest Czechs consequences they must expect if they proceed further in their irresponsible flouting accepted dipl canons.

If Czechs nevertheless continue provocative action against US interests, e.g., in connection with forthcoming trials, we wld then consider closing other Czech consulates. Since Brit and Fr involved it may not be possible to deny issuance mil permits [3] until their interests likewise affected. This may become subj for discussion at FonMin's mtg. Withdrawal invitation participate Chicago Trade Fair not feasible view Czech request to Fair management to cancel arrangements for space (ur 547, Apr. 15 [4]).

Knowledge by FonOff Kosmak affidavit (ur 545, Apr 15 [5]) appears likely lead to her expulsion sooner or later. We think it better anticipate this action by her immed trans from Czech which will enable us publicize affidavit more freely at most strategic time. In our view release affidavit most effective simultaneously with transmission note FonOff in reply to its demand for Kolarek's recall. Trans orders for Kosmak to another Eur post will accordingly go forward soonest. If you see objection trans can be cancelled on receipt urtel.

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[2] Telegram 297, April 24, to Praha, not printed, stated that the Department of State had informed the Czechoslovak Embassy that day that no further consideration could be given to the matter of the possible opening of a Czechoslovak Trade Commissioner's Office in San Francisco in view of recent developments in the relations between the two governments (611.49/4–2450).

[3] The issuance of permits to enter or pass through the Western zones of occupation of Germany was the responsibility of the Combined Travel Board of the Allied High Commission for Germany. The Allied High Commission Permit Office (formerly, the Combined Military Permit Office) in Praha discharged consular responsibilities with respect to the Federal Republic of Germany.

[4] *Supra.*

[5] Not printed. Regarding Assistant Attaché Kosmak's affidavit, see the editorial note, p. 544.

Recommend postponement further note FonOff on Czech planes (ur 543, Apr 15[6]) until clear what next step Czech Govt may be.

ACHESON

[6] Not printed. In it Ambassador Briggs recommended that he be authorized to inform the Czechoslovak Government by note of the completion of the American investigation of the three Czechoslovak aircraft which landed at Erding, in West Germany (see the editorial note, p. 543), and that the United States was prepared to release the aircraft if the Czechoslovak Government published the two American Embassy notes of April 6 or withdrew its two notes of March 30. (611.49/4–1550)

Editorial Note

In a note of April 19 to the American Embassy in Praha, the Czechoslovak Foreign Ministry demanded the immediate closing of the United States Information Service Libraries in Praha and Bratislava, which they accused of serving as centers of espionage and anti-State activity, and the recall of Embassy Press Attaché Joseph C. Kolarek, who was accused of using his position as head of the USIS in Czechoslovakia to carry out espionage and anti-State activities. The text of the Foreign Ministry's lengthy note was transmitted to the Department of State in telegram 559, April 19, from Praha, not printed (511.49/4–1950). The Embassy's note of reply of April 21, the text of which was also delivered to the Czechoslovak Embassy in Washington and released to the press the same day, strongly rejected the allegations that Kolarek and other American officials or Czechoslovak employees had engaged in improper activities, and denounced the police methods used in obtaining statements and confessions from former Embassy employees. The note agreed to close the USIS libraries and withdraw Kolarek, but also requested the closing of the Czechoslovak Consulate in Chicago.

For the text of the note, see Department of State *Bulletin*, May 1, 1950 or *American Foreign Policy, 1950–1955: Basic Documents* (Department of State Publication No. 6446, Washington, Government Printing Office, 1957), volume II, page 2095. According to a brief memorandum by the Secretary of State of his meeting with President Truman on April 20, the President approved the proposed retaliatory action against Czechoslovakia which was intended to put the Czechoslovak Government on notice that it could not proceed further in its reckless course without the gravest consequences (Secretary's Memoranda, Lot 53 D 444, Secretary's Memorandum of Conversations with the President). In a statement made at his press conference on April 21, Secretary of State Acheson reaffirmed the vital mission of the Voice of America and the United States Information Service to serve as the only channel through which the American people and their Govern-

ment could speak to the peoples of Czechoslovakia and other Eastern European countries. For the text of the Secretary's statement, see Department of State *Bulletin*, May 1, 1950, page 685. Lot 53 D 444 is a comprehensive chronological collection of the Secretary of State's memoranda and memoranda of conversation for the years 1947–1953, as maintained by the Executive Secretariat of the Department of State.

124.493/4–2850

The Czechoslovak Foreign Minister (Široký) to the Ambassador in Czechoslovakia (Briggs)[1]

[Praha, April 28, 1950.]

At the recent trials before the State Tribunal in Praha the extensive espionage and hostile activity of numerous employees of the diplomatic and consular offices of the United States of America, directed against the security of the Czechoslovak Republic, has been once more proved in all its width. This activity rested in the direct organization and leading of espionage as well as in the granting and supplying of the material equipment in order to carry out this activity. The employees in question are mainly employees who held important positions in the diplomatic and consular offices of the United States of America. The Minister of Foreign Affairs has pointed to this fact already several times and has drawn provisional conclusions from it.

Many employees of the diplomatic and consular offices of the United States of America therefore carry out an activity which is directed against the security of the state which is affording them hospitality, and which is in sharp contradiction to diplomatic customs and to international law. This activity further has nothing in common with the usual activity of functionaries of diplomatic and consular offices, that is to say with the protection of the interests of the state in question in the Czechoslovak Republic, an activity which these employees were pretending to carry out.

These facts necessarily lead the Minister of Foreign Affairs to the conclusion that for carrying out a normal activity in order to fulfill their own actual tasks in conformance with international customs and with international law the disproportionately excessive number of the employees of the diplomatic and consular offices of the United States of America in the Czechoslovak Republic is not justified. And this particularly as reality shows that this high number—by the above described activity of the employees—leads to the aggravation of the relations between the USA and the Czechoslovak Republic.

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[1] The source text was transmitted to the Department of State in telegram 617, April 28, not printed.

The Minister of Foreign Affairs therefore requests that the Embassy of the USA within reasonable time reduces the number of employees of the diplomatic and consular office of the USA in the Czechoslovak Republic—i.e. the Embassy of the USA and the American Consulate General in Bratislava—by two-thirds of the number registered by the Embassy of the United States of America with the diplomatic protocol of the Ministry of Foreign Affairs and this in all categories of employees.

124.493/4–2950 : Telegram

The Ambassador in Czechoslovakia (Briggs) to the Secretary of State

SECRET PRIORITY PRAHA, April 29, 1950—3 p. m.

623. Czechoslovak demand two-thirds personnel cut [1] climaxes week of public abuse based as predicted Embtel 594, April 23 [2] on "revelations" recent trials. Build-up supplemented by offensively worded Foreign Office notes which apparently seek deliberately push relations to lowest possible level.

Object seems clearly either goad us into breaking relations or, if we do not do so, score great propaganda victory ("we caught Americans red-handed, we have kicked them in face") and henceforth to restrict Embassy Praha activities to innocuous level, scrutinized day and night by ever vigilant servants of victorious peoples democracy.

Czechoslovakia conduct presents ample justification for rupture and we recognize temptation resort polemics in kind and enjoy brief soul-satisfying battle of words during which we ourselves could produce impressive display of prose accurately describing Czechoslovakian behavior. And then we would have no representation in Czechoslovakia.

We believe temptation should be resisted and that it would not be to our advantage to break relations at this moment. Kremlin hand dominates Czechoslovakian Government and Moscow orders have probably been in effect "make it as difficult and unpleasant as possible for Americans—but if break comes, make them do it". This appears to us to constitute ample reason for US not to break relations until there is unmistakably no alternative, and for us then to seek do so on our terms and at moment we consider opportune.

Even on reduced basis demanded by Czechoslovakia we believe maintenance representation more advantageous than withdrawal: Our mere presence unquestionably encourages opponents present regime, who constitute vast majority Czechoslovak population (as long as US

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[1] See the Czechoslovak Foreign Minister's note of April 28 to Ambassador Briggs, *supra*.

[2] Not printed.

flags fly in Praha and are visible when we move about country, many Czechoslovaks are comforted) : while information we can obtain undoubtedly will be even further curtailed and unpleasantnesses to which personnel exposed may be multiplied, nevertheless we can furnish more information and more evaluation from here than from outside; main contact with US will continue to be through VOA and future handicaps to contrary notwithstanding, we should still be able give useful suggestions and guidance. All these factors probably not unknown to Kremlin and likely constitute part of motivation present campaign.

Furthermore, Czechoslovak note gives us some area for maneuver. Department will observe demand is ambiguous in several particulars: No base date is given and "categories of employees" are not specifically defined. As it seems hardly likely this ambiguity unintentional it may be assumed purpose is either (1) provide basis for making further provocative demands relative reduction staff or functions later or (2) give loophole for us make moderate or less severe reductions where with Czechoslovakia can seek to satisfy Kremlin. As (1) may be anticipated in any event and as (2) is to our advantage, believe we should proceed initially on latter assumption and not endeavor clarify ambiguities. Fact that note couched in less vitriolic terms than it might have been and makes no specific charges against any present Embassy staff member, supports latter assumption. (We shall immediately again review staffing pattern and telegraph recommendations within next few days.)

Foregoing is not however to recommend that we "take Czechoslovak note lying down". We assume we will be instructed make reply along lines our answer recent analogous Hungarian demand,[3] rejecting demand in principle but pointing out Embassy is already in process of readjusting staff pattern to meet present Czechoslovak conditions of obstruction and harassment. Believe I should be instructed hand reply to Siroky.[4]

Sent Department 623; repeated London 68, Paris 79. Department pass Moscow. Pouched Warsaw, Budapest and Bucharest.

BRIGGS

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[3] The reference here is to the Hungarian Foreign Ministry demand set forth in its note of February 23, 1950, to the Legation in Budapest, described in footnote 1, p. 996.

[4] In his telegram 639, May 3, from Praha, not printed, Ambassador Briggs expressed the belief that the Czechoslovak Government had seemingly carried out a basic change in its attitude toward the United States, presumably as a result of direct Soviet interference on a scale not previously apparent. The Czechoslovak Government had become openly hostile and was fully aware of the direction in which its current campaign of charges and intimidation was leading. Under the circumstances, Ambassador Briggs questioned whether the United States could receive enough return to justify the difficulties, harassments, and loss of prestige involved in the effort to resist the current demand for the reduction of the mission staff. (124.493/5-350)

124.493/5-250 : Telegram

The Secretary of State to the Embassy in the United Kingdom [1]

SECRET WASHINGTON, May 2, 1950—7 p. m.

2025. Emb Praha recd note Apr 28 fm Czech FonOff [2] asking our mission Czech reduce staff by two-thirds in all categories on grounds numerous US Reps engage in espionage and hostile activity against security Czech state, excessive number US official personnel unjustified, disproportionately large number and activities US personnel aggravate US-Czech relations.

Our present thinking on possible reply fm Amb Briggs is along fol lines:

With ref to question reducing number personnel included in representation US in Czech, I am instructed by my Govt inform MinFon Afrs US Govt cannot accept demands Czech Govt and rejects categorically grounds on which Min asked US dipl and con establishments in Czech reduce their staffs. US Govt is aware no right of a receiving state to determine composition dipl mission of another state and can only consider demand Min involving official personnel previously accepted by Czech Govt as unjustifiably disregarding internatl usage.

It is recognized Czech Govt unwilling or unable maintain relations with US Govt in accordance with normal standards dipl relations. US Govt has given extended consideration for some time past to restrictions placed upon functions US dipl mission which have made it impossible to conduct normal relations with the Czech Govt. US Govt decided several months ago adjust staff US establishments in Czech to these prevailing conditions. US Govt has been engaged in progressive reduction official personnel in its representation, both civilian and military. Attention Czech Govt is called these efforts particularly in re steps recently taken reduce Service Attaché staffs, of which Min must be aware.

Remainder our response might fol one of three alternatives below:

1. US Govt will proceed with implementation these plans already in progress. It is obliged, however review further entire range operations of Czech establishments in US in light narrowing field of relations between two Govts arising fm restrictive actions Czech auths. It is believed, in virtue this further condsideration matter, reduced scope those relations no longer requires maintenance remaining Czech consular establishments in US. US Govt therefore requests Czech Govt to close its Consulates in Cleveland and Pittsburgh and its Consulate General in New York at convenient date.

2. Begin with first sentence alternative 1 and then: If, however, Czech Govt shd, on basis its own views rather than legitimate needs

[1] Repeated to Praha as 321 and to Paris as 1949. This telegram was personally signed by Secretary of State Acheson.

[2] For text, see p. 551.

US establishments in Czech, insist on an arbitrary alteration in composition staffs already authorized in those establishments, resulting situation wld undoubtedly have highly prejudicial consequences with respect remaining field relations between US and Czech Govts. (Aim this alternative wld be to alarm Czech Govt in order its possible fear complete break might deter it fm insistence on full compliance with its demand. In presenting note Amb Briggs might intimate orally certain consequences of such insistence including possible effects on Czech representation in US mentioned in alternative 3 below. These stalling tactics might at least delay any further action on part Czechs and allow us proceed with our reduction, thus putting us in better position when Czechs might take up matter again. If Czechs shd finally prove unyielding in insistence on two-third reduction, we wld avoid break but cld react with counter-demand they close their remaining consular establishments here. It is believed this alternative is more in line with suggestions Amb Briggs in Praha's 623 Apr 29.[3])

3. Begin with first sentence alternative 1 and then: If, however, Czech Govt shd, on basis own views rather than legitimate needs US establishments in Czech, insist on arbitrary alteration in composition staffs already authorized in those establishments, US Govt will be obliged fol principle reciprocity in matter Czech representation to US. (We wld not explain in note exact effect application this principle but let FonOff puzzle over this until it presses us for clarification. We wld interpret principle to mean two-thirds reduction staffs Czech establishments US. Or we might apply it by insistence reductions US establishments Czech be matched on a one-to-one basis by reductions in Czech establishments here. But in view fact present Czech representation in US is less than two-thirds US representation in Czech, rigid adherence to this formula wld, if Czechs insisted on two-thirds reduction by US, cut Czech representation to zero and presumably entail break in dipl relations. US official personnel at Praha and Bratislava numbered 80, as of Apr 1950, including FSO 9, FSS 41, USIS 5, Attaché Staff 25. This number has been reduced or is in process of reduction by 4 USIS and 13 Attaché, leaving 63 fm which civilian staff is being progressively transferred without replacements. Czech personnel in US including custodial and servant categories amounts to 33 plus 31 dependents.

Tripartite meetings now taking place [4] offer convenient opportunity for obtaining Brit and Fr views in order we may coordinate policy in this matter in accordance with practice we are seeking to establish. Request Brit and Fr be consulted urgently. Dept believes it inadvisable to summon Amb Briggs here for consultation but if it shd prove helpful Dept prepared to request him come to Lon.

Pass to Jessup and Perkins.[5]

ACHESON

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[3] *Supra.*

[4] American, British, and French officials held a series of meetings in London, April 24–May 5, in preparation for the forthcoming Tripartite (U.S.–U.K.–French) Foreign Ministers Meetings in London, May 11–13. Documentation on the Foreign Ministers Meetings and preceding preliminary tripartite meetings is presented in vol. III, pp. 828 ff.

[5] Ambassador at Large Philip C. Jessup and Assistant Secretary of State George W. Perkins were principal members of the American Delegation to the preliminary meetings referred to in footnote 4, above.

124.493/5-650 : Telegram

The Assistant Secretary of State for European Affairs (Perkins) to the Acting Secretary of State [1]

SECRET LONDON, May 6, 1950—6 p. m.

2480. From Perkins. Replying Deptel 2025 [2] on Czech request that we reduce our Praha mission staff by two-thirds, have consulted with British and French on staff level with following results:

1. As basis for this and similar tripartite action in future, it was agreed that (*a*) we should notify and whenever possible consult each other in dealing with this type of question (*b*) our general basic objectives are the same (*c*) action to be taken by each country when confronted with such a situation should conform to (*a*) and (*b*) above although both British and French believe that special circumstances such as coincidental negotiation of commercial agreements, non-existence of Consulates in their countries or other factors might require them to act differently from us.

2. Conferees all thought second alternative in reftel would be desirable after first two introductory paragraphs in which we affirm principle that each country is judge as to proper size of its diplomatic staffs. All were clear that we should not at present inform Czechs as to how much we were planning to reduce staff or when, this to occur in our own good time. This calculated to offer best means of quieting issue which would not be case if we closed one or more of their Consulates. Latter action always open to us if Czechs pursue matter further.

UK Foreign Office has agreed to above. Opinion of French Foreign Office unavailable until May 8.[3] I suggest we proceed along above lines.

In answer to last paragraph reftel, I regard visit of Ambassador Briggs to London unnecessary at present.

Sent Department 2480, repeated Praha 39, Paris 778.

[PERKINS]

[1] This telegram was sent through the facilities of the Embassy in London. Secretary of State Acheson departed for Europe on May 6.

[2] *Supra.*

[3] Telegram 2518, May 9, from London, not printed, reported that the French Foreign Ministry fully agreed with the position outlined in the telegram printed here (124.493/5-950).

124.493/5-1050 : Telegram

The Ambassador in Czechoslovakia (Briggs) to the Secretary of State

SECRET NIACT PRAHA, May 10, 1950—8 p. m.

683. Called this afternoon on Vice Minister Hajdu at his request. After stating that Czechoslovak note of April 28 [1] demanding two-

[1] *Ante*, p. 551.

thirds personnel cut within reasonable time had not yet been acknowledged, he informed me that by "reasonable" government meant two weeks and accordingly demanded all individuals concerned be out of Czechoslovakia by that date, i.e., day after tomorrow. Hajdu's attitude insolent throughout and discussion which followed included on his part such remarks as "If you did not know what reasonable meant, why did not you ask? The US will learn it cannot treat Czechoslovakia like Guatemala; and we are only following US interpretation American Government having given official (Munk [2] I assume) two weeks as reasonable time to leave US last year."

I pointed out that far from ignoring his government's communication my government was giving it careful consideration; that without prejudice to what views it might ultimately express several departures had already taken place; that whereas few days might be adequate period for some individuals, others with apartments, families, etc., require considerably more time; and that his government's unilateral interpretation of "reasonable" as 14 days on twelfth day thereof was obviously preposterous. I asked that he convey those views to FonMin with following additional comment: (1) While not accepting any right of Czechoslovakia in premises and reserving my government's views on matter, should Czechoslovakia desire to state a time limit, it should begin to operate from time of notification i.e.; and (2) that first observation should not be interpreted as indicating any acceptance of two weeks from today as reasonable.

Hajdu agreed convey my observations to FonMin and to inform me if latter made any reply. But Hajdu reiterated that in accordance his instructions he had officially informed me that period within which Czechoslovakia expected two-thirds of our personnel to have departed would terminate day after tomorrow.

When I said "what then?" Hajdu became evasive but implied that immunities of individuals might cease or they might automatically be declared *persona non grata.*

While we cannot know how far Czechoslovakia may push this matter, we nevertheless must face possibility that on May 13 (day after expiration 14 days) Czechoslovakia may plan some reckless action such as seizing and forcibly transporting personnel to frontier or even jailing them. In present mood, exhilirated by recent liberation celebrations, contact with and perhaps instructions from Russia, I do not believe we can afford to take chances with welfare members staff. Furthermore, bearing in mind Department's desire if possible to retain relations and fact that what Czechoslovakia contemplates may be action we could not overlook and hence leading to rupture,

[2] Dr. Ervin Munk, former Czechoslovak Consul General in New York; declared *persona non grata* on October 31, 1949, and departed from the United States on November 8, 1949.

I am organizing at once evacuation approximately two-thirds personnel by auto and airplane. In absence instructions to contrary, departures will begin tomorrow afternoon. Estimate approximately 20 persons can be moved Frankfort without too great confusion and additional ones will either proceed within time limit or if safety factors appear to advise, be moved to Chancery and residence before May 13. If government extends time limit (of which there is possibility in view my statements to Hajdu) we shall be governed accordingly.[3]

In meantime suggest Department summon and warn Ambassador Outrata.[4]

Sent Department 683; repeated London Tosec 76, Paris 8, Moscow 40, Department pass Moscow.

BRIGGS

[3] Telegram 685, May 11, from Praha, not printed, reported that Assistant Deputy Foreign Minister Hadjů had just telephoned Ambassador Briggs to say that following consideration of his remarks the previous day, the Czechoslovak Government had extended the period within which it demanded two-thirds of American official personnel to depart to midnight May 17.

[4] Vladimir Outrata, Czechoslovak Ambassador in the United States.

124.493/5-1050 : Telegram

The Acting Secretary of State to the Embassy in Czechoslovakia[1]

SECRET WASHINGTON, May 11, 1950—7 p. m.

PRIORITY NIACT

341. Dept unable explain apparent failure receive Deptel 330 May 8[2] containing proposed reply Czech note re reduction staff before transmission ur 683 May 10.[3] Since latest Czech action makes recommended reply obsolete suggest fol note now be sent FonOff:

"I have honor refer to Your Excellency's note Apr 28 and conversation with rep MinFonAf May 10 concerning question reducing nr personnel included in representation US in Czech. I am directed by my Govt to state that in view recent actions Czech auths with ref to US Czech Govt is requested within reasonable time close its Cons in Cleveland and Pittsburgh and reduce nr its total personnel in US, including all categories except representation at UN, in accordance with present reduced scope relations between two govts."[4]

Foregoing text designed produce impact on Czech Govt thru brevity. Believe any attempt set forth full explanation reasons for our action

[1] Repeated to London for the Secretary of State as Tosec 176, to Paris as 2149, and to Moscow as 405.

[2] Not printed. It recommended the text of an Embassy reply to the Czechoslovak Foreign Ministry note of April 28 (p. 551) which was a more concise version of the proposed reply outlined in paragraphs 3 and 4 of telegram 2025, May 2, to London, p. 554. (124.493/5-350)

[3] *Supra.*

[4] The note proposed here was delivered to the Czechoslovak Foreign Ministry by Ambassador Briggs on May 13.

wld only be lost on Czech auths and wld rather weaken effect we desire produce. Background including recent serious provocative incidents wld be explained in statement for release by Dept press section so as make clear Amer public sufficient grounds for our action and provide proper basis for VOA presentation matter Czech people.

When you present note to FonMin you cld explain requested staff reduction is interpreted as two-thirds size Czech representation including personnel now at Cleveland and Pittsburgh consulates. Total present nr about 33 and reduction shd be to about 11. If question asked about meaning "reasonable time" you might wish indicate since Czech Govt used and interpreted expression its meaning in this particular connection shd be clear, pointing out at same time we do not under normal circumstances regard one or two weeks (ur 685 May 11 [5]) as reasonable period for wholesale reductions of this kind. You cld suggest our exact interpretation of phrase in this instance will be governed to some extent by whether or not Czech Govt adheres rigidly to its May 17 deadline. Not practicable for us to hold Czech personnel strictly requirement departure within week because probable inability make arrangements within that time for passage. It may be helpful to stress orally disruptive effects reduction our staff in Czech on admin and con services of benefit Czech Govt and indicate immed result will be cessation of such services for indefinite period.

If SecState sees no objection to this course present enclosed note within 24 hours after receipt this cable and inform us so identical text may be transmitted Emb here. Dept assumes Brit and Fr in concurring second alternative (Lons 2480 May 6 [6]) envisaged prospect appropriate retaliatory action on our part if Czechs insisted on strict compliance with demand for two-thirds reduction.

WEBB

[5] Not printed, but see footnote 3, *supra*.
[6] *Ante*, p. 556.

124.493/5-1350

Memorandum of Conversation, by the Deputy Assistant Secretary of State for European Affairs (Thompson)

SECRET [WASHINGTON,] May 13, 1950.

Participants: Dr. Vladimir Outrata, Czechoslovak Ambassador
Mr. Thompson, Deputy Assistant Secretary
H. C. Vedeler, EE [1]

Ambassador Outrata called at my request and I handed him a note containing the text of the note presented today by Ambassador Briggs

[1] Harold C. Vedeler was the principal assistant to the Officer in Charge of Polish, Baltic, and Czechoslovak Affairs in the Office of Eastern European Affairs.

to Hajdu in Prague, requesting the Czechoslovak Government to reduce within a reasonable time its official personnel in the United States in accordance with the reduced scope of relations between the United States and Czechoslovak Governments.[2]

I said that the Ambassador was aware that his Government had recently demanded that we reduce our staff in Czechoslovakia by two-thirds. When the Czechoslovak Government made this demand in the note of April 28,[3] we were already engaged in the process of reducing our staff because the functions of our diplomatic mission in Czechoslovakia had been curtailed through actions of the Czechoslovak authorities. Although the note of April 28 had indicated a "reasonable time" for carrying out the reduction, the Czechoslovak Government had suddenly insisted on May 10 without previous notification on compliance within 48 hours, or within two weeks from the date of the note. The deadline was extended to May 17 only after representations by Ambassador Briggs. These developments intervened before we even had an opportunity to transmit to the Ministry of Foreign Affairs a reply the text of which had been cabled to Ambassador Briggs. We deplored such actions contravening accepted diplomatic conventions and making it impossible to maintain normal relations between the two countries much as we wished to do so. We accordingly saw no alternative, even though we regretted that we were obliged to take the action, but to make the request in the present note for reduction of the Czechoslovak representation in the United States.

Ambassador Outrata gave the impression of having expected the request to close the consulates at Pittsburgh and Cleveland but of being disturbed by the request for comparable reduction of Czechoslovak personnel in the United States. He did not defend the steps taken by his Government and remarked that the people in Prague did not seem to understand developments here. He discussed the question of "reasonable time" for departure of personnel, seeking to learn what we implied by the use of this phrase.

I replied that we interpreted "reasonable time" to correspond in general to what was allowed United States personnel in leaving Czechoslovakia. I did not mention a specific time limit and stressed that we did not wish to impose any hardship on individuals. I recognized the difficulty in making immediate arrangements for travel from the United States and the difference in this respect between the situation here and that in Czechoslovakia.

The Ambassador spoke of the problem of getting passage on ships and said that some people would probably go by plane. He appeared

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[2] The note of May 13 from Acting Secretary of State Webb to Ambassador Outrata is not printed. Regarding the note of May 13 from Ambassador Briggs to the Czechoslovak Foreign Minister, described here, see telegram 341, May 11, to Praha, *supra*.

[3] *Ante*, p. 551.

to infer that he did not expect that passage would be obtained by ship except on the *MS Batory*, which he said would sail on May 17 and again a month later.

The Ambassador declared that the situation was unfortunate since the request came just at the time when the Czechoslovak staff here had declined in size through failure to make replacements. He had endeavored to obtain replacements and steps were being taken to fill the vacancies with some replacements already on the way. He inquired whether the requested reduction in these circumstances meant the same for Czechoslovak personnel as for the American staff in Czechoslovakia.

While not suggesting that the reduction was to be by categories, I answered that we thought the reduction should be approximately the same here as in Czechoslovakia.

Apparently inferring that the reduction was to be two-thirds of the staff at the Embassy and of the staff of the Consulate General in New York (and not in the total number of personnel in the United States), the Ambassador stated that he did not see how his Government could reduce to that extent and that he must consult the Foreign Office as to what was to be done.

I stated clearly that this kind of reduction was not agreeable to us. We thought each Government should be free to determine the composition of its own diplomatic mission in accordance with its needs and that this should not be determined according to the demands of the receiving state. Such practice had been developed and recognized in diplomatic relations through centuries of usage and we regretted that the Czechoslovak Government had chosen to depart from it. I intimated the possibility of some adjustments on our part if the Czechoslovak Government were similarly inclined.

The Ambassador said he would report to the Foreign Office and await instructions. I requested him to keep Mr. Vedeler informed of the arrangements made, to which he agreed.

I then turned to some of the pending issues between the two governments mentioned in Praha's telegram No. 679 of May 10,[4] pointing out

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[4] Not printed. In it Ambassador Briggs observed that in addition to recent Czechoslovak actions against the Embassy and the USIS (the subject of previous documents in this compilation), the Embassy had been the target of numerous provocative actions by Czechoslovak authorities, including the following: (1) the latest wholly unsatisfactory Foreign Ministry note on the Field case, (2) the refusal by Czechoslovak authorities to permit the placing of wreaths at monuments at Pilsen and Cheb (see footnote 5, below), (3) highly improper behavior of the Czechoslovak security police to Embassy Assistant Attaché Kosmak, (4) insulting behavior of public announcer to American Military Attaché at May 7 Liberation Day parade, (5) Foreign Ministry failure to reply to Embassy representations regarding Embassy Czechoslovak personnel, (6) denial of consular access in a number of protection of American citizen cases. (249.1122/5–1050)

that these were related to the Czechoslovak demand for reduction of personnel in reflecting the present restricted state of relations between the United States and Czechoslovakia. Although such problems as these were usually dealt with at Prague it might be noted that the unsatisfactory reaction of his Government in each case had contributed to preventing the conduct of normal relations.

In discussion of specific issues he suggested in connection with the case of the Field family that the situation was a difficult one for his Government since people could disappear in Czechoslovakia without the authorities knowing what had happened to them. With reference to the recent refusal to allow the laying of wreaths at the Pilsen and Cheb monuments to the United States liberation forces,[5] he remarked that there were also certain things he could not do here. All of this, he added, unfortunately reflected the general situation.

I said that we were keenly aware of the existing international tension, deploring it, hoping it might lessen, and wishing to do whatever we could to diminish it.

LLEWELLYN E. THOMPSON

[5] On April 29, the Embassy informed the Foreign Ministry that the Military and Air Attachés would place wreaths on monuments to American forces on May 5, the anniversary of the liberation of Western Bohemia. The Foreign Ministry replied by note on May 4 that such Embassy ceremonies would be undesirable in view of Czechoslovak Government preparations for the celebration of the liberation of Czechoslovakia by the Soviet Army.

Editorial Note

In a statement issued to the press on May 13, the Department of State reviewed recent hostile conduct by the Czechoslovak Government toward official American institutions and personnel in Czechoslovakia culminating in the Czechoslovak demand of April 28 for a drastic reduction of official personnel at the Embassy in Praha and the Consulate General in Bratislava. The Department concluded that the current Czechoslovak regime would not or could not conduct itself in its relations with the United States and other democracies in a manner compatible with Czechoslovak culture or traditions or with a decent regard for the conventions of the community of nations. The Department announced that it was requesting the Czechoslovak Government to close its consulates in Cleveland and Pittsburgh and make a reduction in its official personnel in the United States similar to that demanded of the United States in Czechoslovakia. For the text of the statement, see Department of State *Bulletin*, June 12, 1950, page 974.

862A.181/5-1750 : Telegram

The Ambassador in the United Kingdom (Douglas) to the Secretary of State

SECRET LONDON, May 17, 1950—4 p. m.

2709. Praha's 725 May 15[1] recommending retaliation has resulted in tripartite working level discussion of situation with following results:

(1) Retaliation more strongly favored by US conferee than by British and French since we are most injured party and have less to lose. Both British and French still have fairly profitable trade with Czechoslovakia, French having recently concluded com[mercia]l agreement. However, all impressed by unexpectedly accelerated recent moves by Czechs and are agreed we should take some "deterrent" action to retard or possibly end present Czech free-wheeling at our expense. This should be positive approach and we should not act from motives of mere retaliation or spite.

(2) Have canvassed various possible moves including three in reftel. Basic objections are:

(*a*) UK Foreign Office policy is at present opposed to any type of move likely to result in spiralling actions with unforeseeable endings.

(*b*) General desirability of continuing and even improving German trade since decline will cost western allies real money and have undeniable political effect in Germany.

(*c*) Interference truck or rail traffic might cause Soviets to bear down on our traffic to Berlin.

(*d*) Outstanding item which would hurt Czechs most would be stoppage over flight air traffic which we cannot do since it would hurt US, UK and French lines, not to mention Embassy airplanes. Elbe barge traffic is of fair volume but there are lack of suitable control points (such as locks), and German cooperation would be needed to make restrictions effective. (Analysis of river traffic—Praha's 707 to Department, first paragraph, therefore not being obtained from British.) Rail traffic control also regarded very cumbersome administratively and likely to raise opposition in too many quarters.

(3) Conferees agree that utilization of HICOG permit office in Praha is our best deterrent weapon and that it could well be used in foot-dragging manner on issuance of permits to: (*a*) Czech businessmen, (*b*) Czech truck drivers, (*c*) charter air flights. Method should be to avoid refusing permits, possibly granting one occasionally, simply sitting on applications as means of causing maximum uncertainty,

[1] Not printed. In it Ambassador Briggs recommended the immediate utilization of the Allied High Commission Permit Office in Praha and Allied control of barge, truck, and rail traffic in Western Germany for the purpose of retaliation against Czechoslovakia that would take the form of slowdown and harassment rather than blockade. (862A.181/5-1550)

irritation and inconvenience. If we choose, we can inform Czechs they use same methods on us, and can also bargain for favors we want. If this course followed, recommend rather full discretion be granted to three Ambassadors in Praha for at least initial period one or two months to operate permit office on subjects *a*, *b*, and *c* this paragraph in manner they regard best suited to get results from Czechs. Absence of publicity and explanations believe best suited to keeping enemy guessing.

(4) If above action approved, suggest it should be put into operation promptly.

Substance of foregoing is being submitted to UK and French Foreign Offices for consideration. Suggest Department instruct London, since further coordination of possible divergences of views may be needed before final instructions are issued.

DOUGLAS

Secretary's Memoranda : Lot 53 D 444 : Memoranda of Meetings with President

Memorandum by the Acting Secretary of State

CONFIDENTIAL [WASHINGTON,] May 18, 1950.

MEETING WITH THE PRESIDENT, THURSDAY, MAY 18, 1950[1]

DEMAND FOR REDUCING RUMANIAN LEGATION

I informed the President of our difficulties in reducing our personnel in Czechoslovakia and in Rumania,[2] and pointed out that we desired to hold on in those countries as long as we could, even though we ran certain risks and were subjected to certain indignities. He agreed, but was particularly anxious that we neglect no opportunity to show our displeasure. He even suggested blocking of funds, but I told him I thought our program as worked out was better, and he agreed.[3]

JAMES E. WEBB

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[1] The Secretary of State or, in his absence, the Acting Secretary of State, met with the President at least once a week to report on major foreign policy problems. A separate memorandum was prepared for each topic discussed.

[2] For documentation on the worsening of relations with Romania, see pp. 1052 ff.

[3] According to his brief memorandum of a meeting with Senator Tom Connally, Chairman of the Senate Foreign Relations Committee, Acting Secretary of State Webb informed the Senator of the new Czechoslovak action to reduce Embassy personnel, and "indicated it might lead to very serious consequences" (611.49/5–2450).

862A.181/5–1750 : Telegram

The Acting Secretary of State to the Embassy in Czechoslovakia[1]

SECRET PRIORITY WASHINGTON, May 22, 1950—6 p. m.

382. Dept shares views expressed para 1 London's 2709 May 17[2] re use HICOM travel controls against Czecho. Primary purpose not necessarily reprisal for past actions but indication to Czechs that rights and privilege which presently accrue Czecho under internatl agreements also entail Czech fulfillment basic obligations inherent internatl comity. It possible that this may restrain or slow pace Czech action against Western states.

Indications ur 707 May 13 and ur 722 May 17[3] Czechs expecting some form restriction barge traffic and overland truck traffic make it incumbent we follow through with action based on calculated risk. If no action taken now can expect new Czech attacks and bargaining position or implied restraining effect lost since Czechs will construe inaction due weakness and indecision.

Accordingly recommend implement course outlined para 3 London reftel namely, "feet-dragging" re permit-issuance, not complete refusal soon necessary tripartite arrangements made. View relationship MPO and HiCom, Dept feels three Ambs Praha shld have discretion guide rather than conduct operations MPO Praha.

Request Embs London and Paris coordinate soonest with Br and Fr FonOffs and Frankfurt with Combined Travel Board officials.

Dept stresses need circumspection this time withholding permits view possible effects third countries, e.g. Neth and Belg. Expression views their Ambs Praha re this action might be desirable before final decision.

Dept continuing study effects action on Barge Traffic will advise soonest.

WEBB

[1] Repeated to Paris as 2325, to London as 2456, and to Frankfort as 3608.
[2] *Ante*, p. 563.
[3] Neither printed.

602.4911/5–2350 : Telegram

The Ambassador in Czechoslovakia (Briggs) to the Secretary of State

RESTRICTED NIACT PRAHA, May 23, 1950—6 p. m.

766. Following Foreign Office note was received 5 p. m. this afternoon:

"Ministry Foreign Affairs acknowledges receipt of letter No. 350 of May 13, 1950[1] of Ambassador of US of America and has honor to advise as follows:

[1] See telegram 341, May 11, to Praha, p. 558.

"The Ministry Foreign Affairs considers that the demand of the Government of US of America as expressed from mentioned letter, requesting that Czech Republic cease the activity of its Consulates in Pittsburgh and Cleveland and that it reduce the number of its employees in the diplomatic and consular offices in the US in accordance with the reduced scope of relations between Czechoslovakia and the US, and this according to the oral interpretation of the Ambassador of the US by two-thirds of the existing number, is unjustified. This demand represents an act of reprisal against the justified request of the Ministry Foreign Affairs that the number of employees in the diplomatic and consular offices of the US of America in the Czech Republic be reduced by two-thirds.

"On the part of the US of America, this represents a further gross violation of the usages existing in relations between states, particularly if we consider the disproportion of the measures of the US of America as set out in the mentioned letter. The Czech Government, in its relations with other states, has always avoided the use of reprisals.

"The demand of the US at the same time represents a violation of the principle of International Law concerning the reciprocity of relations and measures between the states. For it is a fact that the number of employees remaining in the diplomatic and consular offices of the US in Czechoslovakia already after the requested reduction, still reaches the number of employees of all the Czech diplomatic and consular offices in the US before the reduction demanded in the letter No. 350 of the Ambassador of the US.

"In order that the future relations between the Czech Republic and the US of America be based on the principle of strict reciprocity, the Ministry Foreign Affairs requests that within fourteen days the number of employees of the diplomatic and consular offices of the United States in Czechoslovakia be reduced in all categories to the same number as that of the Czech diplomatic and consular offices in the US after the reduction requested in the mentioned letter of the Ambassador of the US, that is to twelve employees, and these:

"4. [*sic*] In the category of employees on the diplomatic list, seven employees not mentioned in diplomatic list and one attendant. Besides that the Ministry Foreign Affairs requests that the number of locally hired personnel be reduced to seven." Complimentary close.

BRIGGS

611.49/5–2450 : Telegram

The Ambassador in Czechoslovakia (Briggs) to the Secretary of State

SECRET PRIORITY PRAHA, May 24, 1950—3 p. m.

768. Our attitude and activities here have been based on State Department policy of avoiding rupture relations if possible. We assume this under constant review in light not only Czech-US situation but also broader perspective US orbit relations.

We sense temptation provide at least temporarily salutary jolt by formal break now, as against danger continuation demoralizing

nibbling process end of which could be virtually paralyzed mission in Praha with attendant loss local prestige—Czech Government declaring, for example "You see, comrades, we have fixed it so the Americans cannot even cut an Embassy lawn". We recognize that while keeping flag flying is important and encourages anti-government Czechs, large inert segment population lives in wishful expectation another liberation and until they learn must work out own salvation they unlikely be effective opposing, much less overthrowing, present ruthless regime. We appreciate likewise that skeleton Embassy may be progressively less useful as gatherer and interpreter local information as Communists rivet more shackles on own people and isolate Embassy from all kinds of contacts.

All this and tenor latest Czech personnel reduction note we have sought to evaluate as situation unfolded during recent weeks. Although locally we may today be represented as "taking a beating", dividends in same period include Department's May 13 statement [1] and defection Houdek,[2] and seem to us not inconsiderable. On net balance we still believe worthy trying maintain Mission but same time we recognize more clearly now than possible month ago the difficulties and disadvantages that may lie ahead.

Sent Department 768; repeated Moscow 54; Department pass Moscow.

BRIGGS

[1] See the editorial note, p. 562.

[2] Vladimir Houdek, Permanent Czechoslovak Representative to the United Nations, resigned his position on May 16, 1950. In a letter of that date to President Truman, Houdek denounced the Czechoslovak regime and asked for political asylum in the United States. On June 13, 1950, the Department of State issued a statement announcing the granting of asylum to Houdek. For the text of the statement, which included Houdek's letter to the President, see Department of State *Bulletin*, July 10, 1950, p. 62.

124.493/5-2450 : Telegram

The Acting Secretary of State to the Embassy in Czechoslovakia

SECRET PRIORITY WASHINGTON, May 25, 1950—8 p. m.

397. Embtel 768, May 24.[1] Ur assumption correct Czech-US relations and US-satellite relations in general under careful review as result increasing pressures and harassments. However our policy continues be to avoid rupture relations as long as possible, primarily in belief (1) maintenance US missions even on greatly reduced scale permits some contact local populations and contributes maintenance their morale, and (2) polit and mil intelligence of considerable value still obtainable by missions on the spot. We realize these assumptions will

[1] *Supra.*

be increasingly less true if pressures continuously intensify and will appreciate ur analysis advantages and disadvantages maintenance relations as situation develops.

Pursuant above policy request you address FonMin fol note, notifying Dept time of delivery so that prompt release may be made to press here.[2]

"I am directed by my Govt to state that it cannot admit as conforming general accepted principles and practices internatl comity that a receiving state shall attempt arbitrarily and unilaterally determine composition dipl missions of a state with which it maintains relations. Moreover, my Govt has previously rejected, and rejects once more, the allegations the Czech Govt has put forward as pretext for reductions US representation Czecho. US Govt furthermore has continuing confidence in good will and traditional feeling friendship people Czecho toward US, despite efforts Czech Govt to sever friendly contacts between Amer and Czech people.

In view, however, repeated provocations and groundless attacks against US and US representatives in Czecho during past few weeks, it is clear Czech Govt has belied its stated intention of promoting peaceful relations among nations and has made clear that it is no longer interested in maintaining normal diplomatic relations with US. US Govt therefore, while reserving its rights and customary privileges, intends reduce official representation to conform with conditions arbitrarily imposed by Ministry's note under ref.[3]

In view forced reduction its personnel in Czecho and in recognition curtailed relations between two countries imposed by Czech Govt, US Govt hereby announces its intention to close its Consulate Gen in Bratislava [4] and requests Czech Govt to close within two weeks its Consulate Gen, including the office of the commercial counselor, in NY."

Pls explore fol point orally with FonOff. In report his latest conference Mme Pauker re staff reduction Rum Minister Schoenfeld stated: "I told her there were couple of points I desired to clarify. Did Rum proposal of staff of ten include chief of mission or was he in addition. She indicated he was additional. I then said: total of eleven, including him. She confirmed this".[5] If Czechs wld accept same interpretation as Rum, Emb too cld be increased by one. Rpt London 2538; Paris 2414.

WEBB

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[2] The note quoted here was delivered to the Czechoslovak Foreign Ministry on May 27. The text, which was released to the press in Washington that same day, was also included in a note from the Acting Secretary of State to Czechoslovak Ambassador Outrata of May 27, not printed.

[3] By the end of May 1950, the American staff of the Embassy in Praha, which had numbered nearly 70 in mid-April, had been reduced to 13.

[4] The Consulate General in Bratislava was closed on June 6, 1950.

[5] The quotation here is from telegram 375, May 22, from Bucharest, not printed, in which Minister Rudolf Schoenfeld reported on his conversation that day with Romanian Foreign Minister Ana Pauker.

862A.181/5–2550 : Telegram

The Acting Secretary of State to the Embassy in France

SECRET PRIORITY WASHINGTON, May 26, 1950—6 p. m.

2443. Praha's 775 May 25 (sent Paris 115, London 97, Frankfurt 114)[1] apparently contradictory views Fr Amb London (London 2871 May 23, rptd Praha 49, Paris 903, Frankfurt 252[2]) and views Fr Amb here that Fr Govt in agreement with us on most points and wld so instruct Fr Amb Praha.

In light latest Czech move against AmEmb Praha, request you make desired representation to FonOff that authority be granted soonest to Fr Amb Praha so that action outlined Deptel 382 Praha, rptd Paris 2325, London 2456 and Frankfurt 3608,[3] can be implemented. This action detailed in Praha's Des 480, May 18,[4] (sent Paris, London and Frankfurt) in which Dept concurs except for para 2(*d*)3. Emb London also requested press for high level decision (London's 2871) especially in view arrest Br Emb clerk Praha yesterday and possible beginning same cycle activities against Brit in Czecho.

Briggs comments third para Praha's 754, May 18, (sent London 95, Paris 114, and HICOG 111)[5] considered pertinent by Dept and both London and Paris shld press for fullest authorization soonest Fr and Br Ambs Praha to implement this comparatively mild deterrent action. Advise.[6]

WEBB

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[1] Not printed. It reported that the French Ambassador in Czechoslovakia had been authorized to join with the American and British Ambassadors in retaliatory action against the Czechoslovak Government, but only on a most restricted basis. (862A.181/5–2550)

[2] Not printed. It reported that the British Foreign Office had tentatively, if reluctantly, agreed to retaliate against Czechoslovakia through the Allied High Commission Permit Office in Praha in concert with the American and French authorities; the French Embassy in London indicated that its government was also in agreement on most points of the proposed tripartite action. (862A.181/5–2350)

[3] May 22, p. 565.

[4] Not printed.

[5] Not printed. In it Ambassador Briggs reported that the British, French, and American Embassies in Praha had all recently warned Czechoslovak authorities in general terms of the inevitable results of their current course of conduct. Ambassador Briggs specifically mentioned the Allied High Commission Permit Office in his representations. Nevertheless, within a few days the Czechoslovak authorities again took completely unjustified and highly provocative action against the United States and the United Kingdom. Briggs observed that the United States was in the position of a person who has had a chip knocked off his shoulder, and he urged some action be taken with respect to the Permit Office rather than be left in the position of having a bluff called. (862A.181/5–1850)

[6] Telegram 3001, May 31, from London, not printed, reported that tripartite retaliatory action in Praha through the Permit Office had been approved by the British at the "top level" (862A.181/5–3150). After a number of representations to French authorities, telegram 2840, June 12, from Paris, not printed, reported that the French Foreign Ministry had given Ambassador Rivière sufficient authorization to cooperate effectively with his British and American colleagues in the proposed tripartite action (862A.181/6–1250). Telegram 57, July 28, from Praha, not printed, reported that the delaying tactics by the Permit Office, which were initiated on June 7, had almost no effect (862A.181/7–2850).

749.00/7-1250

Report Prepared by the Embassy in Czechoslovakia[1]

[Extracts]

CONFIDENTIAL [PRAHA, July 12, 1950.]

POLITICAL AND ECONOMIC DEVELOPMENTS IN CZECHOSLOVAKIA DURING MAY AND JUNE 1950

. . . . . .

FOREIGN AFFAIRS

Relations with the United States:

Czechoslovak-U.S. relations hovered close to the breaking point during May as a series of retaliatory measures further reducing official US and Czech representation followed the Czech note of April 28[2] reducing our staff in Czechoslovakia by ⅔. Additional evidence of the Czech government's desire to destroy the last vestiges of even superficially friendly relations was provided by the particularly vitriolic attacks on the US during the traditional Praha May Day Parade and by the Foreign Office note informing the Embassy that its plans to commemorate the liberation of Western Bohemia by American troops (May 5) were undesirable "in view of the fact that the Czechoslovak Government is organizing celebrations of the fifth anniversary of the liberation of the Czechoslovak Republic by the *glorious* Soviet Army".[3]

[Here follows a summary account of exchanges during May between the Embassy and the Czechoslovak Foreign Ministry culminating in an 80% reduction of the Embassy's staff, to the level of the Czechoslovak Embassy staff in Washington, and the closing of the Consulate General in Bratislava and all Czechoslovak consulates in the United States.]

During the first two weeks in June the Embassy continued to be the target of all out attack as the papers and the radio echoed the charges of the prosecutors in the Trial of Thirteen . . . ,[4] that the United States bore the greatest guilt of the western nations implicated, specifying 10 former Embassy personnel including Ambassadors

[1] The source text, one of a series of monthly reports prepared by the Embassy, was transmitted to the Department of State as an enclosure to despatch 5, July 12, 1950, from Praha, not printed. The Report, which comprised 16 pages in the source text, included a summary, major sections on Czechoslovak foreign and domestic affairs, and a chronology.

[2] *Ante*, p. 551.

[3] Regarding the episode under reference here, see footnote 5, p. 562.

[4] Thirteen Czechoslovak citizens, accused of planning an armed revolt against the Czechoslovak State and participating in various movements directed by Western diplomats, were tried at Pancrac Prison, Praha, May 31–June 8, 1950. All the accused were convicted, four were executed, and the remainder sentenced to various long terms in prison.

Steinhardt [5] and Jacobs,[6] and two present members of the Embassy, James K. Penfield, Counsellor; and Carroll C. Parry, Consul; Allen Dulles [7] and two American newspaper correspondents.

However, with the conclusion of the Trial of Thirteen on June 8, a sudden reversal took place in the attitude toward American and other western representatives in Czechoslovakia. The only follow-up action on the trial was the expulsion of a British Third Secretary and the Belgian Military Attaché, action which was surprisingly mild in itself and was made even more remarkable by the fact that it was not locally publicized, in striking contrast to previous practice. Although the local United Press agency was heavily attacked at the trial, the resident American correspondent [8] was given almost categorical assurances (another departure from normal procedure) that he would not be expelled and his accreditation, as well as that of all remaining western correspondents, was renewed promptly before it expired at the end of June. An Associated Press correspondent,[9] whose visa application had been "under consideration" since February when his predecessor had been expelled, was suddenly granted his visa on June 23. Even press attacks against the American and other western missions abruptly ceased in the middle of June and general anti-American press output was greatly reduced and concentrated on occupation policies in Germany and Japan, the Ku Klux Klan, illiteracy, unemployment and similar old standbys. Towards the end of June intensity was again stepped up and directed particularly to Korea and the alleged Anglo-American inspired invasion of Czechoslovakia by West German potato bugs.[10] These attacks continued however to be directed exclusively against American policy rather than against the Embassy and other American citizens and organizations in Czechoslovakia.

The Embassy has no convincing explanation for this sudden change in tactics but it would seem to indicate primarily that the anti-Western campaign has recently been conducted on the basis of direct and detailed orders from Moscow which dictated the shift for reasons best known to itself. It may also be that the Government was satisfied that it had reduced the Embassy's activities to an innocuous minimum and was therefore satisfied to let well enough alone for the time being. Another factor which may possibly have had some relevance was the advent of the summer vacation season which traditionally—and this

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[5] Laurence A. Steinhardt, Ambassador in Czechoslovakia, 1945–1948.
[6] Joseph E. Jacobs, Ambassador in Czechoslovakia, 1948–1949.
[7] Wartime European Director of the Office of Strategic Services.
[8] Richard Clark.
[9] William N. Oatis.
[10] Regarding the American response to allegations by East European regimes that American aircraft were dropping "potato bugs" in East Germany, Czechoslovakia, and Poland, see the Department of State *Bulletin*. July 24, 1950, pp. 134–135.

year appears to be no exception—is marked by a decided decrease in activity throughout the government and Party heirarchy.

At this time, it appears quite clear to the Embassy that the decision to maintain relations, despite the blunt invitation for a break and despite the public indignity of a hurried exodus of Embassy personnel "en masse", was sound and in keeping with our long range objectives in this country. Any loss of prestige we may have suffered has been more than offset by the initiative shown by the United States in Korea; more than ever, the Czech people are looking towards the United States for their liberation, wishfully believing that the Korean War must spread to a general conflict.

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123 Briggs, Ellis O.

Memorandum of Conversation, by the Ambassador to Czechoslovakia (Briggs)[1]

SECRET [WASHINGTON,] November 16, 1950.

The President received me at 12:00 noon today and immediately asked how I was getting on in Czechoslovakia. I replied that I found the job absorbing, challenging, and at times frustrating. I described what I meant by those terms, emphasizing that Czechoslovakia is governed by a group of tough Moscow-trained Czech communists who play for keeps, and whose primary loyalty is toward the Kremlin rather than Czechoslovakia. The country is being remade in terms of Russian rather than Czechoslovak interests. Moreover, pursuant to this same design, the Embassy in Prague had been exposed to very considerable pressure and to demands against us, based on false charges.

After outlining our various difficulties leading to expulsion of personnel, I observed that in my opinion we had managed "to give as much as we had received", or at least to give the impression that we were not "taking abuse lying down"—to which the President stated that he was "glad to hear that".

The President asked what I thought chances were for the development of a resistance movement in Czechoslovakia, and I replied that to my regret I considered them rather small. The Czechs have many fine and admirable qualities and as individuals are capable of acts of great personal valor, but as a nation they appear more inclined to bow their heads before a storm than to oppose by acts of resistance the continuation of a situation which to the vast majority of them must appear unhappy in the extreme. We should not, therefore, count on

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[1] Ambassador Briggs returned to Washington in early November 1950, for a period of consultation.

any strong Czech anti-Communist movement, although in the event of a general upheaval (which many Czechs would apparently welcome) the majority of the people of the country would unquestionably be on the side of the West.

The President showed considerable interest in our reduced Embassy operations and on learning that one of the points which I had desired to discuss in Washington had been the maintenance of our diplomatic mission in Prague, he stated emphatically that in his opinion the Embassy ought to be maintained for as long as it is possible to do so. The President expressed himself forcefully in that connection.

I had an opportunity to express to the President my high opinion of the work being done by the Voice of America, indicating that the contribution which the Mission in Prague is able to make toward the effectiveness of VOA appeared to me to be one of our major functions at the present time.

Before taking leave, I asked the President's permission to make a statement to the correspondents to the effect that we had discussed developments in U.S.-Czechoslovak relations during the year since the presentation of my credentials, and that I had expressed to the President the belief that notwithstanding certain actions taken by the Czech Government a few months ago, the vast majority of the people of Czechoslovakia maintain, and will continue to maintain, feelings of friendship for the United States and for the American people—feelings which are reciprocated by the citizens of this country. The President authorized me to make a statement to that effect, and when I emerged from his office, where approximately a dozen correspondents were waiting, I did so. In reply to questions, I also informed the correspondents that at the conclusion of nearly two weeks of consultation in Washington I was going to New York for a few days at Lake Success, and that after a week of vacation in Maine would sail early in December to return to my post.

[Ellis O. Briggs]

FINLAND

INTEREST OF THE UNITED STATES IN THE MAINTENANCE OF FINLAND'S INDEPENDENCE[1]

760E.00/1–1850 : Telegram

The Minister in Finland (Warren) to the Secretary of State

SECRET HELSINKI, January 18, 1950—6 p. m.

47. In farewell call [2] upon Prime Minister Fagerholm [3] today latter told me he and his government are expecting Soviet attempt interfere in Finnish politics before February 16 in an effort influence electoral college vote and composition of new government.[4] He said "we must receive any such pressure calmly".

He asked that I bring his greeting to President Truman and say that on account circumstances Finland is required to take measures which may appear bold in order assure continuance its democratic western way of life. He asked that I assure the President that Finland can be depended upon maintain and defend its democratic institutions. Finally he asked that Finland not be forgotten by United States.

WARREN

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[1] For previous documentation on this topic, see *Foreign Relations*, 1949, vol. v, pp. 434 ff.

[2] Avra Warren, Minister in Finland from December 1947, was designated in December 1949 to become Ambassador in Pakistan. Warren departed from Helsinki on January 19, 1950.

[3] Karl-August Fagerholm, Finnish Prime Minister from July 1948 to March 1950.

[4] Finnish voters chose a Presidential electoral college on January 16, 1950. On February 15, the electoral college met and reelected incumbent President Juho Paasikivi. The minority Finnish Social Democratic Government headed by Prime Minister Fagerholm resigned on March 1 following the Presidential election.

Secretary's Memoranda : Lot 53 D 444 : Memoranda of Conversation with the President[1]

Memorandum by the Secretary of State

TOP SECRET [WASHINGTON,] February 9, 1950.

MEETING WITH THE PRESIDENT[2]

Item 6. Telegram from Stockholm re export licenses for radar equipment[3]

The President had on his desk a copy of a long telegram from Stockholm of today's date which raised some question of export licenses on radar equipment.

The President thought it desirable for me to see this telegram but he mentioned it chiefly, he said, because he wondered whether it would be desirable for the National Security Council to review our policy toward the Scandinavian countries looking toward a closer alignment of those countries with the West.

I replied that it was always desirable to keep our policies under review. It seemed to me, however, that it would be most dangerous at the present time to make any efforts in the direction of Finland since that would produce a reaction on the part of the Russians which would be most dangerous to the Finns. So far as Sweden is concerned, we would look into that matter at once and let him know whether we thought a general NSC review is desirable. This is a matter for Mr. Perkins' attention.[4]

D[EAN] A[CHESON]

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[1] Lot 53 D 444 is a comprehensive chronological collection of the Secretary of State's memoranda and memoranda of conversation for the years 1947–1953, as maintained by the Executive Secretariat of the Department of State.

[2] The Secretary of State (or the Acting Secretary of State) met regularly with the President, usually at least once a week, to discuss important foreign policy problems. This memorandum covers one of the topics discussed at the meeting of February 9, 1950.

[3] The reference here is to telegram 167, February 7, from Stockholm, vol. III, p. 15.

[4] In a memorandum of February 14 to the Secretary of State, not printed, Assistant Secretary of State for European Affairs George W. Perkins commented upon the President's inquiry about Scandinavian policy. The portion of the memorandum dealing with Finland reads as follows:

"In reply to the President's query as to whether a review of our policy toward the Scandinavian countries is desirable, it is suggested that you advise him that the Department sees no need for any change in our policy toward Norway, Denmark or Finland. Norway and Denmark are cooperating within the North Atlantic Treaty machinery, although they continue to be worried by Swedish neutrality. We believe the continuation of our present policy toward Finland is the wisest course to pursue for the present." (103.1/2–1450)

The remainder of the memorandum dealt with policy toward Sweden. The Secretary of State had this memorandum with him when he next conferred with the President on February 16, but policy toward Finland was not again discussed. The Department of State set forth its attitude with respect to Swedish neutrality in telegram 96, February 16, to Stockholm, vol. III, p. 19.

660E.00/2-2550 : Telegram

The Chargé in Finland (Chase)[1] *to the Secretary of State*

SECRET HELSINKI, February 25, 1950—7 p. m.

99. During cordial reception of Minister Cabot 25th,[2] Foreign Minister emphasized Finland could preserve its independence only by moral strength, that Finland hoped receive moral support from west which proved so valuable 50 years ago and, therefore, highly valued. President Truman's message conveyed ten days ago to President Paasikivi by Minister Warren;[3] that because of its geographical position Finland had to restrict its foreign political relations largely to cultural sphere and could not afford be drawn into quarrels between big powers, and that alarmist stories and speculation about Finland in foreign press often aggravated Finland's difficult position vis-à-vis USSR.

Foreign Minister did not give any indication of particular apprehension Soviet action against Finland, nor did he in anyway, indicate desire for other support than moral.

CHASE

[1] Warren M. Chase, Counselor of Legation in Finland.

[2] John M. Cabot, in January 1950 designated Minister to Finland to succeed Avra Warren, arrived in Helsinki on February 25, 1950. His first interview was with Finnish Foreign Minister Carl Enckell. A memorandum of Minister-designate Cabot's conversation with Enckell was transmitted to the Department of State as an enclosure to despatch 158, March 7, from Helsinki, neither printed (123 Cabot, John M.). Cabot formally presented his credentials to Finnish President Paasikivi on February 27 and assumed charge of the Legation the same day.

[3] This phrase appears to be garbled. During his conversation with President Paasikivi on February 27 following his presentation of credentials, Minister Cabot mentioned that when he had seen President Truman two weeks earlier, President Truman "had sent his personal greetings to President Paasikivi and spoken very warmly of Finland's role in contemporary affairs." President Paasikivi expressed his pleasure at the message (Despatch 151, March 7, from Helsinki: 123 Cabot, John M.).

760E.13/3-350 : Telegram

The Minister in Finland (Cabot) to the Secretary of State

SECRET NIACT HELSINKI, March 3, 1950—5 p. m.

110. Legation is receiving indications from various quarters that responsible businessmen, government officials and politicians are pondering idea of including Communists in unimportant posts in new Cabinet.[1] Moreover, as he did in July 1948, President Paasikivi yesterday asked party chairmen, who called on him, to give consideration to inclusion some Communists. Intention is, of course, to put

[1] The Cabinet headed by Prime Minister Fagerholm resigned on March 1.

Communists in positions where they will be well hedged in and therefore innocuous. I would appreciate Department's views as to what if anything Legation should do as situation develops.

From domestic viewpoint there may be some validity to argument in some Social Democratic and business circles that inclusion of Communists in Cabinet will draw their domestic political sting by making it difficult for them to avoid responsibility for any damage to Finnish economy resulting from irresponsible agitation. Business proponents feel Communists participation in Cabinet might also ease pressure from Russia and help Finns secure much-needed trade agreement.

Objections are obviously formidable. There is little reason to suppose that inclusion of Communists would in long run weaken Communist strength in labor unions or that Russians would be mollified by this show of weakness. Communists may not be any more willing to settle for minor Cabinet posts than they were when Fagerholm Cabinet was formed, although there are some indications they would settle now for anything to get foot in door again. Once again in government Communists could be expected, regardless of watchfulness and precautions by non-Communists, to try by every means to advance their long-term objective of gaining control of government. Finally, I am concerned at effect such a reversal would have in other European countries, particularly, those which have before had Communists in Cabinet.

Legation officers have so far merely pointed out, in answer to inquiries by key political friends, bad effect of inclusion of Communists on American public opinion. Such expressions are obviously less effective Finland than other European countries more dependent on US. I am inclined to think that our best course would, nevertheless, be to make above statement with a shade more emphasis in reply to any inquiries we may receive.

CABOT

760E.13/3–350 : Telegram

The Secretary of State to the Legation in Finland [1]

SECRET WASHINGTON, March 4, 1950—2 p. m.

49. Urtels 110 [2] and 111 Mar 3.[3] Dept of course convinced that inclusion any commies new Finn cabinet would be extremely unwise and would not mollify Soviets but only encourage increased Sov

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[1] This telegram was drafted by Benjamin M. Hulley, Officer in Charge of Northern European Affairs, Bureau of European Affairs.

[2] *Supra.*

[3] Not printed.

pressure. However Dept does not wish you lay yourself open to charge of interference Finn domestic matter. Probably Paasikivi felt obliged for tactical reasons to request party leaders consider inclusion commies but would only consent to their actual inclusion as result his mature judgment on what is best for Finn long term interests. We approve line you have taken in pointing out discreetly in reply to direct questions by reliable political friends bad effect on US public opinion, which would be aggravated if key posts involved such as associate Fonamin.

ACHESON

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123 Cabot, John M.

Memorandum of Conversation, by the Minister in Finland (Cabot)[1]

CONFIDENTIAL [HELSINKI, undated.]

The Scotts[2] invited my wife and me to dinner alone Sunday evening.[3] I broached to him the matter of the negotiations for the formation of a new cabinet and the possibility that Communists would be included in the new cabinet. I said that this naturally disturbed me quite a bit since it would not be understood in the United States, and might have repercussions in some of the western European countries. I pointed out, however, that we could scarcely afford to become involved in Finnish domestic politics, that if it came to a showdown the Russians had many more means of putting pressure on the Finns than we had and that even if we were successful in preventing the inclusion of Communists our success might turn into a very costly failure if the Russians made it an excuse for taking a poke at the Finns. On this account I had limited the activities of my staff to discreet comments regarding the effect such inclusion would have on American public opinion.

The British Minister emphatically agreed with me. He said that we could not possibly afford to get involved in any such maneuver, and that we would have to hope that the Finns would work it out themselves without the inclusion of Communists. He seemed hopeful that they would. He said that perhaps it would be easier for us if he should do the quiet pointing out to Finnish friends of how American public opinion would react.

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[1] The source text was transmitted to the Department of State as an enclosure to despatch 161, March 7, from Helsinki, not printed. In that despatch, Minister Cabot observed that the conversation took place before he had received telegram 49, March 4, to Helsinki, *supra*.

[2] Oswald Arthur Scott, British Minister in Finland.

[3] March 5.

I thanked him and said that I was awaiting instructions from the Department. I felt that until I had received such instructions I could not avail myself of his kind offer.[4]

[4] In his despatch 161 (see footnote 1, above), Minister Cabot commented as follows about the British Minister's offer:

"I do not think I shall avail myself unless pressed of the British Minister's offer to pass along the probable reaction of American public opinion. Whereas in theory he may be correct in thinking that this is something which he can say more easily than we can say it, I am somewhat concerned lest we get our wires crossed in this delicate matter."

760E.13/3-2350 : Despatch

The Minister in Finland (Cabot) to the Secretary of State

SECRET HELSINKI, March 23, 1950.

No. 243

I enclose herewith a memorandum of the conversation I had with Prime Minister Kekkonen [1] when I made my call on him as required by Finnish protocol.

The Department will note that I spoke to Mr. Kekkonen with respect to the statement that he made to the Tass representative regarding attacks in the Finnish press on the Soviet Union. My point in doing this was to stiffen the cabinet's backbone and to discourage the flabbiness which I fear this cabinet may show, as indicated in my telegram No. 140 of March 20.[2] I do not, of course, anticipate that the great majority of Finns will be taken in by Communist propaganda, even if a distorted version of affairs is given them in the Finnish press, and I doubt that the government would be willing to change the tenor of the Finnish press in a markedly discriminatory fashion or that it would be able to do so even if it were willing. Nevertheless, there is reason to suppose that this government is somewhat predisposed to appeasement and this tendency might be accentuated by the hostile tone already adopted by Communist propaganda. Moreover, I am a trifle disturbed at some of the blatant falsehoods regarding the United States peddled to the Finnish public by the Communist organs. Quite apart from the fact that some of the more gullible Finns may believe them if they are sufficiently reiterated and never rebutted, it must not be overlooked that they will be reprinted in Communist organs in other countries where they may be more plausible. We must

[1] On March 17 Urho Kaleva Kekkonen, Chairman of the Finnish Diet and a leader in the Finnish Agrarian Party, formed a coalition Cabinet composed of representatives of the "center" parties and exclusive of the Communists, Social Democrats, and Conservatives.

[2] Not printed; in it Minister Cabot commented upon the Cabinet of Prime Minister Kekkonen and suggested that it might not resolutely oppose Communist infiltration in Finland (760E.13/3-2050).

obviously be cautious about answering these Communist falsehoods ourselves, but I feel that anything we can prudently do to get Finns to answer them, or to keep the channels open for them to be answered, is a constructive undertaking.

JOHN M. CABOT

[Enclosure]

Memorandum of Conversation, by the Minister in Finland (Cabot)

SECRET HELSINKI, March 23, 1950.

Subject: Initial Call on Finland's New Prime Minister

Participants: His Excellency Urho Kaleva Kekkonen, Prime Minister of Finland.
Mr. Cabot

I said to the Prime Minister that I greatly appreciated his courtesy in receiving me today, since I was leaving for Rovaniemi tonight, and naturally wished to pay my respects before my return. A few minutes of pleasantry followed, and I then said that I would be happy to discuss with him at any time that he so desired any questions respecting Finland's relations with the United States. The Prime Minister expressed his appreciation. I then said that I appreciated the delicacy of Finland's position and that I would try to do nothing which might make it more difficult. The Prime Minister said that he was very happy to hear me say this, since he had intended to make this point to me. I said that we had been very happy to help Finland in her difficulties, but that realizing the delicacy of her position, we wanted always to be sure that any help was really helpful, and not harmful, from Finland's viewpoint. The Prime Minister said that he was glad that although we spoke different languages, our thoughts were the same.

I said that there was one small matter which I would like to raise with the Prime Minister. I had noted in the Finnish press his statement to the Tass representative regarding attacks in the Finnish press on the Soviet Union. I said that I deplored attacks on other governments, particularly when they were unnecessary and untruthful. I had noted, however, numerous attacks on the United States in one section of the Finnish press. I emphasized that I had no intention of asking that the Finnish authorities take any steps to stop these attacks—we had a free press in the United States as they had in Finland and it would be entirely contrary to our tradition to make any such request. My only concern was that some action might be taken by the Finnish authorities, as a result of which one side of the story could be presented to the Finnish public while the other side could not be. The Prime Minister made a note as my remarks were being translated.

He said that the Finnish press was indeed free as ours was, and that the only action which the authorities could take in any case was to use their moral influence. I reiterated that I was not asking that anything be done to stop attacks on the United States, but I did trust that nothing would be done by the Finnish authorities which would result in the Finnish public getting a distorted view. I mentioned that the Finnish Communist newspapers were charging that the Prime Minister's government had been formed in accordance with American orders. I said that the Prime Minister and I both knew how ridiculous this was. It seemed to me, however, as much in Finland's interest as that of the United States that the Finnish public should know the facts. The Prime Minister said that he agreed with me and that it was a very difficult problem of which they were fully aware. I then took my leave.

The Prime Minister was cordial throughout the interview. He impressed me as a man of more character than I had expected.

[JOHN M. CABOT]

660E.0021/7–2050

Memorandum by the Minister to Finland (Cabot)[1]

SECRET [WASHINGTON,] July 19, 1950.

In the event of a general war in Europe, the question would arise as to what, if anything, we should do in Finland.

My understanding is that the US would, in that event, hope to see Finland remain neutral. In any event I expect that the Finnish Gov-

[1] Minister Cabot returned to Washington in early July for medical examination and for consultation. The source text is an attachment to the following memorandum of July 20 from Benjamin M. Hulley, Officer in Charge of Northern European Affairs, to Assistant Secretary of State George W. Perkins and to Henry R. Labouisse, Director of the Office of British Commonwealth and Northern European Affairs:

"The principal merit in the attached proposal of Mr. Cabot regarding Finnish neutrality seems to lie in its public relations value, as it will clearly fix the responsibility for aggression, which probably could not be deterred by any action in Finland. Whether we can safely give an undertaking that we will respect Finnish neutrality in the event of a general war is a point which should be cleared up with the Pentagon before reaching a decision on the proposal." (660E.0021/7–2050)

In a memorandum of July 21 to Labouisse, G. Frederick Reinhardt, Deputy Director of the Office of Eastern European Affairs, indicated that his office would favor the course of action suggested by Minister Cabot:

"Basically, of course, Finnish neutrality is at the mercy of the Soviets who may choose to disregard or observe any Finnish declaration of neutrality. Soviet forces already possess bases on Finnish territory in accordance with the terms of the Peace Treaty. It appears probable that in the event of a major war and a declaration of Finnish neutrality, the Soviets would at least seize the occasion to press the Finns for further military privileges on Finnish territory.

"By making publicly clear our intention to respect Finnish neutrality, it would be easier to place on the Soviets the onus for the beginning of any hostilities in the Scandinavian peninsula." (660E.0021/7–2150)

ernment would desperately try to remain neutral regardless of our attitude. The Finns are bound to the Russians by a Friendship Pact which in effect requires Finland to resist aggression and to consult with the Soviet Union in the event that Finland, or the Soviet Union across the territory of Finland, should become the object of military aggression on the part of Germany or a state allied with her. I would expect the Finns to try to prevent the Russians from sending troops into Finland despite the Pact; i.e., they do not expect an attack on them to get at Russia, and would not voluntarily side militarily with Russia under other circumstances.

If it is the desire of the American Government that Finland should remain neutral, I feel that we should consider the following course of action:

When war had broken out or was obviously imminent (and only then), I might go to see the Finnish Foreign Minister and say that I assumed Finland wished to remain neutral, that I could privately inform him that the US hoped that Finland would remain neutral, and that if Finland requested formal assurances of the US to that effect I was certain that they would be forthcoming. I might add that I hoped that the Finns would request similar assurances of the Russians. They might even in due course be advised to say to the Russians that they would be prepared to implement their Friendship Pact with the Russians in the event of an armed attack across Finnish territory against Russia but that in the absence of such armed attack (which the Finns frankly did not expect in view of the assurances which we have given them) the Finns expected the Russians to permit them to insure the neutrality of Finnish territory through their own military efforts.

My purpose in making this suggestion is to make it perfectly clear in the event that the Russians tried to seize Finland that they alone were responsible and that no possible allegation could reasonably be made that Finland was an American "military stooge". Should the Russians, despite the naked character of any aggression against Finland under those circumstances, nevertheless decide to occupy Finland, it would be wholly apparent to the Finnish people that they had no choice other than to fight or to submit to the loss of their independence. Neither the Government nor the people of Finland could be under any illusions as to what the score was. I feel that this would be important in view of the fact that the present Government of Finland is inclined toward appeasement of the Soviets and that 20 per cent of the Finnish people are pro-Communist in domestic politics. It is generally felt that a very substantial portion of even these 20 per cent would be patriotic Finns in the event of an unprovoked attack by Russia against Finland.

I think it would be important to take such action in order that Finland might not drift either into the Russian camp, or on the other

hand into armed conflict with Russia through any mistake or misunderstanding. I also feel that it would be important for me to understand the governmental thinking in Washington regarding this situation now, since it might be impossible to request and get instructions in the very short time which might be available to carry out effectively the course of action which I have outlined.

The questions which should be decided in this connection would seem to me to be:

1. Do we desire Finland to remain neutral in a general war, at least at the start?
2. Do we plan any military action (for example, flights over Finnish territory) which would make it inadvisable to give Finland the assurances envisaged above?
3. If the answer to 1. is yes, and to 2. is no, is the course of action I suggest the best suited to achieve our purposes?

JOHN M. CABOT

660E.0021/7–2450

Position Paper Prepared in the Office of British Commonwealth and Northern European Affairs [1]

TOP SECRET [Washington, undated.]

THE POSITION OF FINLAND IN THE EVENT OF A GENERAL WAR

PROBLEM

To determine U.S. attitude toward Finnish neutrality in the event of outbreak of war between the U.S. and USSR.

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[1] The source text indicates Henry R. Labouisse, Director of the Office of British Commonwealth and Northern European Affairs, as drafter of this position paper, and also bears the initials of Benjamin M. Hulley. The source text is also initialed by G. Frederick Reinhardt, Deputy Director of the Office of Eastern European Affairs.

The source text is included in the Department of State files as an attachment to the following memorandum of July 24 from Labouisse to Deputy Under Secretary of State H. Freeman Matthews:

"The attached memorandum recommends that the above subject [the position of Finland in the event of a general war] be discussed with the appropriate military authorities. If you concur in the paper and its recommendations, will you let us know whether or not you prefer to handle this directly with the military authorities or, if not, whether you feel that EUR or someone else in the Department should do so."

The memorandum quoted here bears the following undated, handwritten notation by Matthews:

"As a result of a meeting on Sweden at the Pentagon, I believe the wheels are in motion on this. Will you follow up?"

Two copies of the position paper printed here were sent to Maj. Gen. James H. Burns, Assistant to the Secretary of Defense for Foreign Military Affairs, on August 8 under cover of a brief letter from Matthews, not printed, requesting that the questions raised in the paper be given attention so that they could be discussed informally with officers of the Department of State (611.60E/8–450).

DISCUSSION

It is desirable to determine at this time, if possible, what position we should like to have Finland adopt in the event of the outbreak of war between the U.S. and the USSR. This determination might depend in part upon the theatre in which the outbreak occurs and upon the other nations involved. However, it seems reasonable to assume that the outbreak of war between the U.S. and the USSR would soon involve most if not all of the NAT countries, and, accordingly, this paper is written on that assumption.

There is little likelihood that Finland would join forces voluntarily with the Soviet Union in the absence of unprovoked aggression against Finland by the western powers. However, the Soviet interpretation of the Finnish-Russian friendship pact might be pressed to require Finland to engage in war on the Soviet side even though the circumstances might not coincide with the conditions set forth in the pact.

It is believed that Finland would prefer to remain neutral in any general war. It would appear that Finnish neutrality would be desirable from the U.S. point of view. If the USSR should believe that Finland intended to lend support—openly or otherwise—to the U.S. and its allies, there is every reason to believe that Finland would be occupied by forces of the Soviet Union unless the tide of war was such as to enable Western forces to get to Finland in substantial number. On the other hand, Soviet occupation would doubtless tie down substantial Soviet forces which might otherwise be employed against us in other theatres. Therefore, in finally determining our interests on the question of Finnish neutrality we should weigh these factors. The views of the Joint Chiefs of Staff should be sought on this subject.

Assuming that it should be determined to be in our interest for Finland to remain neutral, the question remains as to the best method of seeking to accomplish this objective. This matter is dealt with in the attached memorandum of July 19, prepared by the American Minister to Finland, Mr. Cabot,[2] after discussions with Department officers. The suggestion is made that the course best designed to accomplish Finnish neutrality would be for the U.S. to indicate to Finland when war had broken out or was obviously imminent, that the U.S. hoped that Finland would remain neutral and was prepared to give assurances to respect such neutrality. See paragraph numbered *d* of the attached memorandum for a more detailed statement as to the course of action suggested by Mr. Cabot. Two aspects of this suggested approach deserve particular consideration. First, it would be most unwise to make it unless and until there was an outbreak of war between the U.S. and the USSR. Second, it would seem of doubt-

[2] *Supra.*

ful value to suggest to the Finns that they confirm to the USSR their intention to implement the Friendship Pact.

There can be no assurance that the suggested course of action would prevent a Soviet attack on or occupation of Finland. However, it offers a chance of accomplishing that purpose.

Before determining on this course of action, it would be necessary to know whether our military plans call for military action which would necessitate our infringing Finnish neutrality. If such would be the case, it is extremely doubtful that any assurances could be given to Finland. This subject should be discussed with the Joint Chiefs of Staff.

BACKGROUND

Finland entered into a friendship pact with Soviet Russia on April 6, 1948. The relevant provisions of the Pact are Articles 1 and 2 as follows:

"*Article 1*—In the event of Finland's or the Soviet Union's, across the territory of Finland, becoming objects of military aggression on the part of Germany or another state allied with her, Finland, loyal to her duty as an independent state, will fight to rebuff aggression. In that event, Finland will send all the forces at her disposal to defend the integrity of her territory on land, sea and in the air, acting within the boundaries of her frontiers, in accordance with her duties by the present treaty, with the assistance, in the event of necessity, of the Soviet Union or together with it.

"In the above case, the Soviet Union will render Finland necessary assistance, on the rendering of which the parties will reach mutual agreement.

"*Article 2*—The high contracting parties will consult each other in the event of the existence of a threat of military attack provided for under Article 1."

RECOMMENDATIONS

It is recommended that (*a*) the appropriate officers of the Department discuss this matter with the appropriate military authorities with the view to determining the answers to the three questions outlined at the end of the attached memorandum; (*b*) depending upon the outcome of such discussions, appropriate instructions be despatched to the U.S. Legation in Finland.

760E.13/9-2950 : Despatch

The Minister in Finland (Cabot) to the Secretary of State

SECRET

HELSINKI, September 29, 1950.

No. 231

Enclosed herewith is a memorandum of conversation which Mr. Ylitalo[1] and I held on September 26th with Mr. Taavi Nikolai

[1] J. Raymond Ylitalo, Attaché at the Legation in Finland.

Vilhula, Minister of Agriculture, (Agrarian) and Mr. Heikki Albert Kannisto, Minister of Justice, (Progressive).

The Department will note that on both sides very blunt questions were asked regarding matters of major moment. Although on both sides the answers were discreet and vague, I think each side obtained a clearer conception of the other's position.

The Department will particularly note the oft repeated story that we have an agreement with the Russians by which Finland is in the Soviet sphere of influence. I understand that my predecessor obtained a categorical denial of this from the Department, but the Legation has been unable to find the record of this. Should this story be as unfounded as I understand it is and should the Department be willing to have me discreetly so brand it, I would appreciate appropriate instructions.[2] There is of course some danger that any encouragement given to the Finns, for example, by such a denial or by such statements as I made in my conversation under reference, may encourage the Finns to adopt too provocative an attitude towards Soviet Russia. I believe, however, that the present government is if anything somewhat too inclined to go the other way and that any comments which we may make to encourage a slightly stiffer position will be beneficial. The Department is, of course, aware that the two Ministers to whom I spoke are among the most friendly members of the present Cabinet.

Since returning from my leave[3] I have held a series of talks with Finns prominent in national political life, one or two at a time, generally at lunch in the Legation. The conversation reported in this despatch is the most interesting of the talks I have had.

JOHN M. CABOT

[Enclosure]

Memorandum of Conversation, by the Minister in Finland (Cabot)

SECRET HELSINKI, September 26, 1950.

Participants: Mr. Taavi Nikolai Vilhula, Minister of Agriculture
Mr. Heikki Albert Kannisto, Minister of Justice
John M. Cabot
J. Raymond Ylitalo

Mr. Ylitalo arranged at my request a meeting with the above gentlemen at his apartment. He did the translating.

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[2] Airgram A–55, October 16, to Helsinki, not printed, replied that the Department of State had no knowledge of any secret agreement placing Finland within the Soviet orbit. The Department concurred with Minister Cabot's view that the rumor in question, if referred to by responsible Finns, should be discreetly scotched by the Legation. (760E.13/9–2950)

[3] Minister Cabot returned to Helsinki on September 18 following a two-month visit to the United States for consultation and medical treatment.

After very brief preliminaries, Mr. Vilhula asked me what the United States would do in the event of a Russian attack on Finland. I said that I could not say, and would certainly not hazard a prediction of that point. There were, however, certain known facts which bore on it; for example, our action in Korea, and the friendship and respect in which Finland is held in the United States.

Mr. Vilhula then asked why we had agreed with Soviet Russia at Yalta that Finland should be included in the Soviet sphere of influence. He said that the Finnish Government had had to bear this constantly in mind and that this explained a number of instances in which it had seemed to yield to Soviet pressure. I said that I was pretty certain that we had never had an agreement or understanding of that nature with the Soviets. I had never heard of such an agreement and it was contrary to our basic policy. In 1944 we had refused to enter into an understanding of this type which the British and Soviets had worked out for the Balkans; and we had based our policy on the concept of unanimous action by the Big Five while respecting the sovereign equality of all nations. I said that we of course appreciated the delicacy of Finland's position and realized that it required concessions from time to time to the Russians.

Mr. Vilhula then asked whether we in the United States considered the Kekkonen Government too conciliatory in its dealings with the Soviets, and referred again to the position of the United States in the event of a Russian attack on Finland. He then said that "in the absence of guarantees", Finland heretofore had indeed yielded to the Soviets on various occasions. He congratulated me on American successes in Korea and said that he, as at least 80% of Finns, felt that by our action we had saved western culture.

I said that my answer must be divided into several parts. It was not for me to say whether the Kekkonen Government had been too conciliatory or not. Its position had been obviously difficult, and the conciliatory gestures it had made might well have been justified by considerations of broad policy. We had, however, been disappointed that the members of the Government had signed the so-called Stockholm Peace Appeal.

This precipitated voluble personal explanations from both Mr. Vilhula and Mr. Kannisto, obviously prompted by bad consciences. Mr. Vilhula explained that he had been buttonholed by a Communist deputy who already had a number of prominent non-Communist signatures and said he had not felt in a position to refuse. Mr. Kannisto explained that he had been called at 11:30 at night with the statement that the appeal would be published the following morning. Each Minister said that he would not have signed if he had realized the great propaganda use the Soviets were later to make of it. Vilhula said

he did believe that their signature of it had won them their trade agreement with the Soviets. I apologetically said that it was of course none of my business why they had signed the appeal; they had to consider the matter in the light of Finland's interests. I had referred to it only because it did affect Fenno-American relations and had not helped us in our struggle to maintain the freedom and independence of other nations.

With regard to what action we would take in the event of a Soviet attack on Finland, I felt I could perhaps say a bit more. I was convinced that we would bring such an attack before the UN. He had doubtless seen the proposals we had just introduced regarding General Assembly action in the event action in the Security Council was blocked by a veto. I could not, of course, say what action the UN might take, regarding an attack on Finland, nor what action we might take pursuant to any UN action or upon the failure of the UN to take any action. I could say that it was our general policy to do what we felt we wisely could to further Finland's freedom and independence. During the war we had been the ally of the Soviets against Hitler, and we had naturally not wished to awaken their suspicions by particular friendliness to Finland. For a couple of years after the war we had tried to carry out President Roosevelt's great hope of establishing good relations with Soviet Russia. We had never intended thereby to abandon Finland to the Russians. I did wish to make it clear, however, that so far as we were concerned no "guarantees" existed for Finland. I had referred to Korea only because it was another country which we had not guaranteed. They appreciated, I was sure, that there were special circumstances in that case and that there would be special circumstances which we could not foresee in any case involving Finland. Moreover, Finland was distant from us and close to Soviet Russia. The attitude of Finland's neighbors might be important in determining our attitude.

I asked whether their question about our attitude in the event of a Russian attack was prompted by a specific reason to anticipate one, or merely by the general situation. They said very positively that only the latter had prompted it.

I then asked what Finland would do if the Soviet Union attacked the United States and demanded the right to occupy Finland under the friendship pact. Mr. Vilhula said smilingly that that reminded him of a story about General Sihvo, who was asked by a Russian General how fast Finland could mobilize. Sihvo's reply was "In two days." When the Russian expressed surprise, Sihvo explained that every Finn would join the Forestry Guard. Mr. Kannisto then said that should such a demand be made the Finns would undoubtedly play for time. He pointed out that the Friendship Pact contained no clause which would justify the Russians in making such a demand. I reminded him

that Finland had had a pact with the Soviet Union in 1939, too, and asked what the Finns would do in the event that the Russians should attack them regardless of their treaty rights and diplomatic maneuvering. The Ministers looked rather unhappy at this question and in a general way said that Finnish action would depend upon the precise circumstances, for example, the wishes of the Finnish people that was why they had asked their first question.

The conversation lasted two hours and was most friendly at all times.

GERMANY

POLITICAL RELATIONS IN GENERAL: PROBLEMS RELATED TO THE DIVISION OF GERMANY; THE QUESTION OF TERMINATION OF A STATE OF WAR; THE QUESTION OF ALL-GERMAN ELECTIONS; PARTICIPATION OF THE FEDERAL REPUBLIC OF GERMANY IN THE COUNCIL OF EUROPE AND OTHER EFFORTS FOR EUROPEAN INTEGRATION[1]

Editorial Note

During the course of 1950, policy statements on the Government of the Federal Republic of Germany were prepared for the Secretary and Under Secretary of State. Eight such statements have been identified in the Department of State files, dated January 12 and 18, February 22, March 10, April 5 and 12, June 21, and September 26, respectively, none printed. (762A.00/9–2650) The following documentation presents the basic aspects of United States policy with respect to the Federal Republic as indicated in the various statements. A full collection of such statements on all major aspects of United States foreign policy, prepared at the end of September and entitled "Policy Record Guide, The Secretary", is in file 611.00/9–2250 bulky.

Editorial Note

On January 23 the United States High Commissioner for Germany, John J. McCloy, gave a "Progress Report on Germany" in a radio address to the American people. For the text, see Department of State *Bulletin*, February 6, 1950, page 195.

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[1] For additional documentation on integration efforts related to German participation in the defense of Western Europe, see pp. 678 ff. and vol. III, pp. 1 ff.

762A.00/2-950

Memorandum of Conversation, by Mr. John W. Auchincloss of the Bureau of German Affairs

SECRET WASHINGTON, February 9, 1950.

Participants: Mr. John J. McCloy, U.S. High Commissioner for Germany
Lt. Col. H. A. Gerhardt [1]
EUR—Mr. George Perkins
EUR—Mr. L. E. Thompson
S/P—Mr. Paul Nitze
L/P—Mr. John Raymond
GER—Colonel H. A. Byroade
—Colonel R. Cheseldine
—Mr. Geoffrey Lewis
—Mr. Perry Laukhuff
—Mr. J. J. Reinstein
—Mr. H. J. Kellerman
—Mr. Arthur Kimball
—Mr. John W. Auchincloss

A meeting was held at 4:00 p. m. on February 1 in Colonel Byroade's office to consider certain general problems regarding Germany. Colonel Byroade stated that he hoped the discussion of these questions might indicate the basic line of approach to be taken on German policy for the year.

INTEGRATION OF WESTERN EUROPE

Mr. McCloy said that the concept of an integrated western Europe has a great deal of attraction for the German Government, and that the Germans would respond favorably to developments in this direction. The question has become more urgent because of the increase in Soviet propaganda and influence since recent developments in Asia. European integration is connected with our policy in Asia, for Soviet success in the East would make the Allied position in Europe untenable. The key to European integration is the United Kingdom, but the recent British attitude has been discouraging, and Mr. McCloy hopes that Mr. Bevin will be more world-minded on his return to London. General Robertson [2] is not presenting the urgent need of integration to his government, but Mr. McCloy is not sure how much pressure can be put on the British to move in this direction.

Mr. McCloy believes that it is essential to build up the strength, including the military strength, of western Europe, but at the same

[1] Lt. Col. Harrison A. Gerhardt, Special Assistant to the U.S. High Commissioner for Germany.
[2] Gen. Sir Brian Robertson, British High Commissioner for Germany.

time he is deeply opposed to the idea of a foreign legion, or contingent of German troops, among the Allied forces. He feels that this is a defeatist idea, in its implication that we cannot defend ourselves without the Germans, and it would have the effect of making the Germans believe we are dependent on them. There is no pressure for such a measure in Germany that is of any consequence at all.

A first step to the integration of Germany into western Europe, although perhaps a feeble one, is the admission of Germany to the Council of Europe. After that it will be necessary to convince the Germans that the West is not reluctant to see a revival of the German economy and is not taking steps which are intended to be at the expense of the German economy. After the admission of Germans to the Council of Europe, Mr. McCloy would like to see meetings between the Germans and representatives of other Western countries on an equal basis to work out their problems together and to create an impression in Germany of a spirit of helpfulness on the part of the West. Mr. McCloy is not sure what can be done in the economic field as an earnest of our desire to help the Germans find markets for their trade, but he emphasized that there is a need of tangible developments, in both the military and economic fields, to support the idea of integration.

Mr. Nitze agreed that the British are the key to European integration. They are held back, however, by problems which are partly domestic and partly connected with the sterling area. We should help the British with their sterling difficulties, so that they can do more on behalf of European integration, but Mr. Nitze was not optimistic about what could, in fact, be done in the matter of the Kashmir dispute and sterling balances.

Mr. Thompson observed that an additional problem is the reluctance of the French to move forward. He felt that it might make relations easier if we were to raise matters with them while still under consideration, rather than after we had hit upon a solution, and that they should, of course, do the same with us. They ought, for example, to have raised the question of the Saar earlier than they did.[3]

Mr. Perkins remarked that one way into European integration might be through the German problem. He felt that the Benelux countries are realistic about the Germans, and that it would be well to get them and other Europeans to thinking in terms of Germany and its relation to Europe.

Mr. McCloy said that unfortunately the British and French think of German recovery as a responsibility of the United States rather than themselves, but that unity between the three countries is important and he considers the record on unity in the Council to be a good one. The Saar is the first major problem on which there has been disagreement.

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[3] For documentation on the Saar question, see pp. 927 ff.

Colonel Byroade raised the question whether the Secretary should discuss these matters with Mr. Bevin and Mr. Schuman, but Mr. Perkins stated that the proposed Conference of Foreign Ministers was very much up in the air, and that a lot of preparation would be needed before it could be usefully held. Mr. McCloy agreed that it would be well for at least a part of the discussion between the Foreign Ministers to be concerned with general matters, rather than with specific problems requiring immediate action.

Termination of State of War

Colonel Byroade stated that no views have yet been exchanged between the three occupying powers on this subject, as had been contemplated at the Paris meeting of the Foreign Ministers.[4] The Attorney General is of the opinion that no action can be taken on this subject by Congress during its present session. The Legal Adviser's office believes that there are ways to terminate the state of war without a treaty if it is considered an important thing to do. Colonel Byroade supposed that if an answer were given on the question now it would be that the state of war should not be terminated. There should, perhaps, be a meeting of the three powers in April, but this would be on a working basis and for the exchange of legal opinions.

There is a question whether we should not clear up matters which depend ultimately on the peace settlement and the solution of which has been deferred until then; at the same time we should not devote our energy to questions of this sort which do not matter. The question of claims was mentioned as an especially difficult one, and Mr. Reinstein observed that some of the questions which have been deferred to the peace settlement are interfering with normal relations now.

Colonel Byroade stated that if we terminate the state of war with the Bonn Government, we tend to recognize that government as the successor to the former Reich. This may put us in the position of further increasing the division of Germany, according to Mr. McCloy, or it might, according to Mr. Laukhuff, put us in the position of urging the unification of Germany, since we would be treating the Bonn Government as the successor to the former government of all of Germany. Colonel Byroade said there might be a psychological or political advantage to the Germans in the termination of the state of war, but that he could see no substantial advantage to the United States. Furthermore, the small countries are dubious about terminating the state of war, because this will dispose of questions that would otherwise be settled in a peace treaty and thus deprive them of their only bargaining power against the Germans. Mr. McCloy said that he hated

[4] For documentation on the Paris meeting of the Foreign Ministers of France, the United Kingdom, and the United States, November 9–11, 1949, see *Foreign Relations*, 1949, vol. III, pp. 305 ff. and 632 ff.

to let the Soviets have the advantage of the idea of German unity, and Colonel Byroade added that this was the reason why we could not do anything which would have the appearance of concluding a separate peace treaty.

It was agreed that we must continue to be active in this field, and that we should accordingly proceed with the exchange of legal views between the three occupying powers, although it is not expected that any conclusive action can be taken at an early date.

Review of Occupation Statute

Mr. McCloy feels that nothing has happened yet to justify a change in the Occupation Statute. The Bonn Government has been concerned with foreign affairs, and has not yet functioned as a government in domestic matters. There is no power which the Allied High Commission should surrender now, and the Germans should be allowed to realize that the passing of time will not alone be sufficient to insure a change in the statute. We can respond to any success which the Germans may have in conducting their own affairs, but it is doubtful if anything will happen between now and October to justify revision of the statute.

Colonel Byroade said that a suggestion had been made that the reserved powers be defined in great detail, but he did not think well of the idea, and there was no support for it at the meeting. Mr. Laukhuff agreed that there should be no revision of the statute now, but pointed out the need of doing something for the Germans when the time came for reviewing the statute. Mr. Reinstein suggested that by the end of the year we might at least be able to define for the Germans our requirements for future action on their part. Mr. McCloy thought we should remove the incidental irritations and vexations of the occupation, so that this might help to offset any effect of such a measure as the withdrawal of Soviet troops. He said this matter had not been discussed in the Council and that he might raise it there.

Mr. Thompson raised the question of relations with the Soviet zone of Germany and asked how much pressure should be put on other European countries in regard to their relations with east Germany. Mr. Reinstein said he believed it was understood that we wanted other European countries to withhold recognition from east Germany, but that trade with that area would continue.

Mr. McCloy stated that the assertion of our interest in eastern Germany has been too weak, and that we must get the western Germans more on the offensive against the eastern Germans. Adenauer should make more statements along this line for the benefit of the eastern Germans. He is, however, not interested in the question, and again the French are reluctant to move in this direction.

Defense of Germany

Colonel Byroade pointed out that the area of Germany is not covered by the North Atlantic Pact, but that an attack on the occupation troops would bring the pact into action. He believes that the United States has a definite moral obligation to defend Germany, and he asked if there would be any advantage in our making an open commitment to defend German territory. He felt that this should not be done by the three occupying powers alone, but only after consultation with the signatories of the North Atlantic Treaty.

Mr. Nitze felt that we could not and should not make any commitment to defend German territory, and that the presence of our troops there was in substance a sufficient protection for the Germans.

Mr. McCloy stated that he receives continual pressure from Adenauer on this subject. Adenauer has asked whether it is true that we plan to base our line of defense on the Rhine, and he maintains that in disarming the Germans we incurred an obligation to defend them. Mr. McCloy said he always has to answer this by pointing out that Germany was disarmed because she could not be trusted with arms, but he then adds that the presence of the occupation troops should be a comfort to the Germans. He says that General Roberston believes we should take Adenauer sufficiently into our confidence so that he will not be misled about our defense plans.

Mr. Thompson suggested there was still a state of war with Germany and that the question of a guarantee of protection would not arise until the peace treaty.

Colonel Byroade stated that all we could say to Adenauer now is that it is to our interest to defend Europe as far as possible. Mr. Nitze added that Germany could contribute to defense by cooperating in building up western Europe.

Mr. McCloy wondered whether the United States should spend money in eastern Germany on such projects as hospitals, in order to acquire good will and to create the feeling that east Germany had not been abandoned. Mr. Thompson opposed the idea, but Mr. Nitze thought it might be worth trying.

International Authority for the Ruhr

Mr. Nitze raised the question whether the jurisdiction of the Ruhr Authority might be extended to the industrial areas of other countries. He said that this idea had been considered sometime ago, but that it had been difficult to work out in detail, and that he had never been able to see what a Ruhr Authority would do in Belgium, for example. He asked whether anything had been done with the idea, but there seem to have been no developments along this line.

Mr. McCloy said that a Ruhr Authority with extended jurisdiction would have a great appeal to the Germans, and that he favored it because it might help toward European integration. It was also suggested that an extended Ruhr Authority might be a more suitable project for the Organization for European Economic Cooperation.

Colonel Byroade said that we would look further into the idea.

The meeting closed with a few remarks on the possibility of establishing a small but capable planning staff for Germany. The personnel of such a group would have to be familiar with operations in Germany, but would not take part in them directly. They might, in fact, be located in Washington and make trips to Germany whenever necessary.

Editorial Note

On February 6, in a speech at the opening of a new *Amerika Haus* at Stuttgart, McCloy told the German people of his trip to the United States. He noted the great concern felt there over the reemergence of nationalist groups in Germany, indicated the unanimity with which the Western Powers regarded Germany, and expressed the view that those who blamed other peoples and countries for postwar German difficulties did incalculable harm.

McCloy then spoke of United States policy. "The German people," he said, "should be enabled to develop their political independence along democratic lines in close association with the free people of Western Europe. They should be integrated into a free Europe." The United States would give full support to the development of the Federal Republic of Germany and to the democratic forces in Germany. McCloy then stated:

"The future of Germany is not a local national question. It is an integral part of a great world problem. It requires maturity of thought and expression as well as stability of action. Germany can readily acquire a position in the world by giving the sign of a regenerated spirit, a spirit to which free peoples all over the world would quickly respond."

For the full text of his speech, see Department of State *Bulletin*, February 20, 1950, page 275.

762A.00/2-1150

Memorandum Prepared in the Bureau of German Affairs[1]

SECRET [WASHINGTON, February 11, 1950.]

GERMANY IN THE EUROPEAN CONTEXT

Our over-all objective as regards Germany may be stated as finding ways and means of preventing Germany from again menacing our safety and that of the nations which compromise what we call "the democratic world". There are three main ways of seeking to achieve this objective. (1) We can seek to make the Germans convinced believers in democracy. (2) We can control and repress the Germans by prohibitions and supervisions based in the last analysis on force. (3) We can so weave Germany into a larger whole as to contain satisfactorily the energies, economy and political ambitions of the Germans.

We are in fact proceeding along all three of these paths. The first is a constructive but exceedingly long-term effort which by itself frankly offers no solid ground for hope in the near future. The second is exemplified in the High Commission, the Occupation Troops, the Military Security Board and the Ruhr Authority. It is negative, and if long-continued without counterbalance from a more positive and constructive approach is bound to create a bitterness and hatred which will turn against us the moment our vigilance is relaxed. Its success is also dependent on the continuation of a common will in the democratic world to repress Germany forcibly. History teaches us that we cannot count on the permanence of such a will. In addition to all else, this method imposes too great a strain when we are also trying to "contain" the Soviet Union.

It is therefore on the third method that we are chiefly dependent for success. And it is in fact this method which is the theoretical basis for our main policies in Germany today. Our first decisions during and immediately after the war with respect to Germany were predicated upon the organization of Europe on the basis of agreement among the large powers. Lacking that agreement, it became necessary to reach an area of agreement in some kind of organization of a smaller grouping of powers, more like-minded in their political and economic concepts.

We have created a Government in Germany, we have turned many powers over to it and hope to turn over more progressively. We have

[1] In a covering memorandum Byroade indicated to William J. McWilliams, director of the Executive Secretariat, that the paper had been requested for discussion at a meeting on February 14 with Secretary Acheson; George F. Kennan, Counselor of the Department of State; Dean Rusk, Deputy Under Secretary of State; and Paul H. Nitze, Director of the Policy Planning Staff. No record of the meeting has been found in Department of State files.

admitted Germany to the Ruhr Authority, we have brought Germany fully into ERP. We are following a policy of bringing Germany into as many Western European and world organizations as possible. But these actions in detail may get us nowhere. Germany had a government before the war. Germany also formerly belonged to organizations, "cooperated" with Europe. By themselves these things only restore the *status quo ante*. They will be meaningful in terms of our objectives only if they are first steps towards and predicated on the existence of or formation of a European (or larger) unity into which Germany can be "integrated", by which Germany can be "contained", in which Germany can play a peaceful, constructive but not dictatorial role. This larger unity does not exist and is not in sight.

In looking at the European and world scene from the viewpoint of what we are doing in Germany it is desirable to point out certain aspects of the German situation which throw a light on our future policy problems.

There can be no doubt that the great mass of the people of Western Germany are politically apathetic as yet. The government which is emerging in Western Germany is not truly representative as yet of a politically conscious people or of the sentiments which may emerge as political activity is more fully revived. The present German leaders are on the whole sympathetic to the West and are probably the most cooperative Germans we shall have to deal with. It is therefore imperative that the political consciousness of an awakening people be guided in the right direction with sufficient force to resist the new pressures and opinions that are bound to form in Germany.

We may expect a serious diminution of Allied power and influence in Germany. Our powers are becoming increasingly of a negative character deriving from our ability to disapprove of German legislation and to withhold aid or to refuse to permit the use of counterpart funds. Our ability to obtain action of a positive character, on the other hand, is essentially dependent upon our obtaining the agreement of the Germans. Not only is our power declining, but also our influence. As was to be expected, the Germans are quick to seek for divisions among the Allies and to exploit them. They have little respect for the French, whose power they recognize to be weak. The financial difficulties into which Britain has fallen (together with the association of Britain with the dismantling policy) have caused the British influence to wane. Only the American influence is high, and I think McCloy is right when he says that the time in which that influence can be important is limited.

As German political life continues to develop, two main forces will increasingly assert themselves. One of these is the desire for the unification of Germany and the recovery of the Eastern territories. The other is the desire for more positive steps directed toward the amelio-

ration of the German economic position. These are natural tendencies, and if they find some possibility for solution in the policies of the Western Powers, we may be able to maintain a position of influence in Germany. There are, however, very serious dangers in them to our position. The fact that only the Russians can offer a return of the Eastern territories is a fact against which there is no real safeguard. That fact becomes more dangerous to us as the time approaches when American aid will be sharply reduced and the prospects of trade with the East will become more attractive. It cannot be too strongly emphasized that, once American aid becomes nominal, the attraction to deal with the Soviets will become irresistible to the Germans if markets in the West are not available because of unilateral restrictions based upon fear of competition. The present German hatred and fear of the Russians and the Western orientation of her present leaders will tend to keep Germany looking to the West at some economic sacrifice if her advances are not rebuffed by what she considers selfish interests. Here again the position in Europe as regards Germany is far from optimistic. The French and British see in Germany mainly a dangerous source of economic competition. They are only mildly concerned at the present economic situation in Germany; they consider that American capital will make up the deficit and their paramount interest lies only in protecting themselves from German competition and the maintenance of long-term controls designed to that end. Our joint three power policies on Germany are in this respect growing basically farther and farther apart.

I believe that if there is no other reason for unifying Europe it would be necessary to do so in order to solve the German problem. The vitality of the Western European countries has been greatly sapped by two wars. Despite great losses of the German manpower in the wars, the Germans are probably still the most vital and energetic people on the Continent. They represent a decisive factor in the West in our struggle with the Soviets. They must be won to our side and their attachment to us must rest on something deeper than the provision of American aid and the temporary maintenance of a force of occupation in Germany. The time to do this is very short. Unless we can give more vitality and content to the idea of a European Union, North Atlantic, or some other kind of grouping, and can do so in a very short time, we run the risk of losing the battle of Germany. On the political side, a political concept of European integration has emerged which has great appeal to the Germans but it is not growing so as to offer hope to the still weak German state and is not forceful enough to cause Germany to grow along lines we desire. On the economic side the OEEC has been disappointing. It has produced practically nothing except plans for the division of American aid and

arrangements of a more technical character which have absolutely no political sex appeal.

In dealing with the question of European "integration", we have placed our main stress on the economic side. It is certainly time to question whether this is the right way to go about solving the problem. The economic problems involved in integration are too difficult to solve as economic problems. The abolition of import restrictions, and various other steps which are necessary, are too painful if viewed solely from the economic side. Furthermore, I doubt whether it is technically feasible to get what we are after in Western Europe with respect to economic solutions without having an instrumentality which can adopt common political decisions. Convertibility of currencies among the European countries cannot be achieved unless many matters which are now regarded as purely internal problems are dealt with on a common basis.

It seems to me that political decisions must be taken which logically force the economic decisions. This can be illustrated by drawing an analogy from our own experience. It was necessary to create the concept of the United States in the Articles of Confederation before it became possible to wipe out tariffs and trade restrictions between the states under the Constitution. Once the concept of the United States had been accepted, the adoption of further steps to bind the states more closely became logically inescapable and politically inevitable. It is difficult to imagine how, except under direct physical attack in which case it would be too late, the climate calling for political integration can ever be more impelling than it is today.

It is entirely possible that the great advantages which we won in 1947, 1948 and 1949 are slipping away. We have certainly lost the initiative. Our losses in position in Europe are as yet intangible. The Communists have made no great gains in any of the countries west of the curtain. However, there seems to be great uncertainty and loss of faith in the future. The Marshall Plan was directed toward combatting hunger and despair, chaos and confusion. It assumed the ability of the European countries with the friendly counsel of the U.S. to create themselves conditions for their salvation. They have not shown their ability to do so and the money is running out. Examination of this basic "ERP approach" would seem to be in order as actual and open participation in European affairs may provide the only answer.

The uncertainty of the Western European countries and their weaknesses are reflected in the handling of almost every problem upon which we are called to deal in Germany. One of the striking things of the course of developments since the war has been the decline of the British and French as great powers. It is all too clear that the French do not occupy this position and the British are increasingly unwilling to bear these responsibilities. Their unwillingness rests

fundamentally upon the tremendous cost of doing so. This has affected not only their military position but their attitude toward many problems which arise from day to day. Many problems with which we are confronted in Germany and other areas obviously result from the increasing attention which the British are paying to the financial costs. In problem after problem, their actions are governed almost wholly by the probable effect of what is to be done upon the British financial position and the British competitive position. In consequence, the task of leading and organizing the whole of the non-Soviet world has fallen increasingly and ever more heavily upon the United States.

Returning to the European scene, it is the lack of leadership and the lack of vital ideas which is the threat to the success of our policy. I do not think we can expect what we are trying to accomplish to be successful if the European councils are dominated by the worries of Cripps [2] over the effect of one thing or another on the British financial position. It is also all too clear that the role of the United States in this, which began with friendly counsel, has now degenerated into nagging the Europeans for some action to appease Congressional sentiment and will likewise produce no useful result. Perhaps over a long period of time, something might emerge from all of this, but it does not seem that we have that much time.

The disgust within this country now displayed towards Britain and the attitude of our Congress towards further aid to merely prop up an unsound situation will almost certainly result in the adoption of policies which can only eventually lead to complete bankruptcy for England. During the further decline of Britain it must be assumed that she will become more isolationist and even less inclined to make the necessary move towards the Continent. On the other hand, forcing Britain to make a choice toward the Continent over the Commonwealth without others assuming some responsibility for the continuing stability of the Commonwealth area could lead to a decided loss of stability in various areas of the world. This would clearly not be in our national interest. We must accept the fact, however, that despite the domestic shortcomings of the present British Government, it is impossible for her to become an effective Continental power without disrupting the Commonwealth structure and mere pressure and threats from our representatives cannot alter this fundamental. If we are therefore to find a solution to the problem of European integration it seems that we must find some way of "freeing" the U.K. so as to allow her to become a Continental power. This would, we believe, free the log jam as the sentiment in France would cause her to move forward if she can foresee the U.K. in a position to help counterbalance Germany. This may require, however, as no one else seems to be in

[2] Sir Stafford Cripps, Chancellor of the Exchequer.

sight, that this country be prepared to take Britain's place overseas and that we assume unto ourselves at least the partial obligations of the sterling block. Any solution along these lines has the basic aspect of a "share the wealth" plan and would of course require a most vigorous program by the Administration beginning with a forceful statement of the world situation to the American people.

One should certainly not judge the present world or even European situation in terms of the German problem alone but more importantly in light of the overriding Russian menace that in itself makes the German problem acute. The German problem is however inseparable from the problem of a strong western alliance which seems so essential in the face of Soviet designs. Certainly we cannot contemplate under present world conditions a Europe divided by selfish aims, be they German or French or British.

This does not seem to be a time when we can rely on technicians to formulate complicated economic plans. If we decide our present course in Europe is becoming unproductive, only bold imagination in the political field can provide a catalyst dramatic enough to turn the tide.

Editorial Note

On February 11 Sir Frederick Hoyer-Millar, Minister of the British Embassy, delivered to Secretary Acheson a note containing the substance of a telegram from Bevin on the German question. Bevin examined the political and economic relationship of Germany to the rest of Europe and concluded with the hope that the German question might be discussed at a future meeting with the Secretary. Secretary Acheson replied on February 22 through the Embassy in London, stressing the need for common action with regard to Germany. For the texts of these notes, see volume III, pages 627 and 632.

762.00/2-2450: Telegram

The United States High Commissioner for Germany (McCloy) to the Secretary of State

SECRET NIACT FRANKFORT, February 24, 1950—3 p. m.

1644. I plan release statement along lines quoted at end this message to special conference with German and American press correspondents now fixed for February 28. Since it is probable statement will evoke queries at Secretary's press conferences, I feel you should be forewarned.

Statement along these lines strongly urged by Berlin office and endorsed by PEP Committee [1] as necessary move to launch counter-offensive propagandawise against Soviet zone elections, call for German unification now being made by Soviet-sponsored "national front", present Soviet-SED tactics of purging anti-SED elements from East Zone CDU and LDP, and Dertinger (GDR FonMin) line advance in February 22 speech that only Soviet Union interested in German unification, conclusion of peace treaty and withdrawal of occupation forces.[2]

I have sought frame statement in language which may be expected to exert maximum psychological appeal to both East and West Germans, while staying within bounds of Department's thinking as expressed in 1949 CFM working memoranda and other papers.[3]

Time has come, I believe, to recognize frankly that desire for unified Germany represents basic German aspiration and that unless we identify ourselves with that aspiration we will permit Soviets to make agitational and propagandistic capital at our expense. There are also advantages in statement on subject being made now and well in advance of anticipated "national front" all-German rally rumored to be planned for Hanover sometime within next few weeks.

As Department aware, I was on January 3 and February 10 queried in Berlin press conferences on matter all-German elections as means of unifying Germany and have made two rather brief and general statements on subject. Point of departure this statement, therefore, is one of expanding on American concept of free elections with particular reference to contrasts in Soviet zone and basic hypocrisy of "national front" call for German unification through national plebiscite or other medium of soliciting expression of German public opinion re German unity.

Issue of German unification will not only remain live one until Soviet zone elections are held but until unification becomes a fact. It will remain a basic political reality with which we must grapple and in respect of which we must ultimately evolve dynamic approach on tripartite basis which will capture imagination of West Germans and enlist full support of Bonn Government without weakening position that government. We run very serious risks, for reasons enumerated preceding paragraph, in permitting the Soviets to pose as sole champion of German unification and in permitting to go unchallenged those Soviet devices and pressures which seek to turn to Soviet advantage this German aspiration for unity.

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[1] Regarding the Political Economic Project Committee (PEPCO), see footnote 3, p. 825.

[2] For documentation on events of significance in the Soviet Zone of Germany, see pp. 942 ff.

[3] For documentation on the sixth session of the Council of Foreign Ministers, in Paris, May 23–June 20, 1949, see *Foreign Relations*, 1949, vol. III, pp. 856 ff.

I strongly feel, therefore, that western powers must seize immediate initiative in propaganda field at least and I regard my statement as an initial move to seize that initiative.

We must, moreover, be prepared to follow up on this subject and PEP Committee will give matter constant attention. I shall also from time to time submit concrete proposals for action since I realize that future steps should be closely coordinated with French, British and Bonn Governments. In respect this initial statement, however, either I shall not clear it at all because it constitutes in the main a restatement of our position or only clear it after you have given me your views.

Begin statement:

"I have on two recent occasions in Berlin stated that the political unification of Germany on the basis of free all-German elections is a major objective of United States policy.

The aspiration of the Germans for unity and freedom is now challenged by the Communists of the Soviet zone, who offer the device of a so-called 'national front' as a means to 'democratic unity'. Elections in the East zone now scheduled for October 15 are proclaimed as affording an opportunity of expressing the people's will. But only one kind of freedom will be permitted expression at these elections: Freedom to vote for a single list of candidates selected in advance only by the party elite which executes dictates of the Soviet Union.

In contrast to this travesty, the people of Western Germany enjoy the political freedoms so conspicuously absent in the East: The right to engage freely in party activity and the right to vote freely for any candidate.

We understand the universal German urge for unification and condemn the exploitation of that feeling by dishonest devices such as the Soviet-sponsored 'national front' and its proposed plebiscite. These devices fraudulently excite and exploit the natural wish of the German people for unity while denying to them the free and democratic processes by which unity can be attained. The reluctance of the Communist usurpers of East Germany to submit to free elections, or to permit the unification of Germany to proceed thereby, makes it abundantly clear that they are unwilling to trust the choice of the German people.

My government stands ready to assist the German people to achieve unity, based on true democratic principles and reflecting the aspirations of the entire German nation.

Unity and freedom can be attained in Germany only if there be full and equal opportunity for all parties throughout Germany to propose candidates, advance programs and compete for the electorate's favor. All candidates must be assured complete freedom of action without discrimination or official favoritism, together with access to all essential media of communication and material facilities. Every voter must be assured the protection of the law in the free expression of his opinion at the polls. The press must have unhindered access to all areas in order to report the election compaign accurately.

Meanwhile, my government is extending its full support to that German Government which has evolved from those democratic

processes of which I speak and to which all Germans can aspire."[4]

Sent Department 1644, repeated Berlin 88.

McCloy

[4] In telegram 1255, February 25, to Frankfort, not printed, McCloy was authorized to make the release and informed that the Department of State agreed on the need "to seize initiative from Sovs on Ger unity question." (762A.00/2-2550) At the February 27 PEPCO meeting, minor textual changes were made in this draft and copies of the subsequent text provided for the British and French as well as for Adenauer, Schumacher, and Reuter. For the text of the statement as released, see *Documents on German Unity* (Frankfort, Office of the U.S. High Commissioner for Germany, 1951), p. 147. A record of the PEPCO meeting on February 27, a copy of the press release, and the transcript of McCloy's press conference on February 28 are in Bonn Embassy Files, McCloy Project: Lot 311: Box 3: D(50)524, 531, 533.

441.62A31/2-2850: Telegram

The Chargé in the United Kingdom (Holmes) to the Secretary of State

SECRET

London, February 28, 1950—8 p. m.

1136. Embtel 1054, February 24, repeated Paris 303, HICOG 79.[1] Because of elections I was only able to see Bevin this morning. He began interview by referring to exchange of personal messages with Secretary and said that he had received confidential report from Germany that American officials, presumably subordinates, had recommended to Germans that they not conclude trade agreement with UK on basis of sterling administrative transfer accounts system. He said that they were trying to work out an over-all European payments plan to include Germans entirely consistent with Secretary's message; that he felt it was harmful to both US and UK to appeal in these matters to the Germans who will seize every opportunity to drive a wedge between us if they can. He said that the British attempt to come to an agreement with West Germany was to make progress improving trade and payments in Western Europe and held forth at some length about the necessity of bringing Germany into the whole Western European complex. He felt that the unilateral approach by US officials to the Germans in this connection was harmful. I told Mr. Bevin that a report from McCloy had indicated that the Germans had voluntarily stated that they were not inclined to go too fast with the agreement as proposed by UK and that we had no indication of persuasion by US officials in this connection.

Bevin was critical of ECA and of Hoffman and Harriman,[2] saying that their attempt to set a long-range European pattern in his opinion

[1] Not printed; it reported that Secretary Acheson's message (see editorial note, p. 602) had been delivered to Bevin and that Holmes had an appointment with the Foreign Secretary on February 27 (762.00/2-2450).

[2] Paul G. Hoffman, Administrator of the Economic Cooperation Administration, and W. Averell Harriman, Special Representative of the Economic Cooperation Administration in Europe.

would not be fruitful; that the situation in Western Europe is such that arrangements can only be made for a year or 18 months in advance because of changes and unpredictable future conditions. He delivered an abbreviated version of his "step by step" philosophy. Bevin went on to say that he felt that often times political, strategic and economic policies did not march together and that he felt that the time was come when there should be another general meeting to reconcile our position.

He went on to say that he expected to write to the Secretary today suggesting that his original proposal for a tripartite meeting some time in March or April should be reconsidered and that the meeting should occur somewhat later.[3] He gave as his principal reason for suggesting postponement the unsettled condition in France. He made no mention of the existing British political situation.

Sent Department 1136, repeated Paris 320, Frankfort 85.

HOLMES

[3] For documentation on the genesis of the May tripartite Foreign Ministers meeting, see vol. III, pp. 828 ff.

441.62A31/3–250 : Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfort

TOP SECRET WASHINGTON, March 2, 1950—8 p. m.

1392. Brit Amb[1] called on Secy this morning to deliver orally personal msg from Bevin re UK–Ger trade talks, objecting in strongest terms to US intervention both as to procedure and substance.

Re procedure, Brit had been informed that Amreps in Ger had objected to payment arrangements and had attempted to prevent UK–Ger discussions from proceeding. While US had refused to discuss issue in Washington, US reps in Ger said they had been instructed to fight UK proposal all the way and had hinted that matter would be allowed to get into press. In Brit view, proper procedure was to discuss matter in HICOM.

Re substance, Amb said Brit proposals were designed to liberalize trade. It was not true as had been alleged that UK proposed to bring Ger into sterling area or transferable accounts system. In Brit view these proposals were not inconsistent with EPU but were in fact consonant with US desires. Msg stated US interference appeared to be effort to dictate UK–Ger agreement and to force EPU into pattern desired by US. If US action became known in Brit it would be deeply resented.

[1] Sir Oliver S. Franks.

Msg said UK would now find it impossible to withdraw from negots. They would take some days, perhaps ten, to complete and there would be ample opportunity to discuss matter when agreement came before HICOM. Bevin asked that Secy instruct USreps in Ger to refrain from further interference in conduct of negots.

Amb added he had learned in London UK is preparing new proposals re EPU which wld be ready in about ten days. They hope that these wld be acceptable to US. He said that objective shld obviously be maximum liberalization and maximum convertibility. Decisions involved are extremely fundamental to Brit. He implied that current dispute created extremely bad atmosphere for consideration these proposals.

Amb left memo stating Brit position on certain points in more moderate language than used in personal msg. Text of memo contained in immediately fol telegram.[2]

Secy said that as to procedure, matter was obviously not going in manner which two govts cld consider satisfactory. From our info, he was inclined to feel Brit had been at fault in not informing us more fully concerning their proposals, contrary to procedure followed by US in negotiating ECA Bilateral Agreement with Ger, in which Brit and Fr were consulted fully in advance. Unwillingness of Brit negotiators to hold up when disagreements arose had probably also created difficulty. He did not exclude possibility of some fault on Am side as well. It was pointed out to Brit that procedure which HICOG had been instructed to fol was designed to permit discussion between US and UK prior to time issue came formally before HICOM and thus to avoid open split between occupying powers in full view of Gers.

With regard to substance, Secy said that US quite understood Brit difficulties with respect to payment arrangements and was prepared to see provisions included in UK–Ger agreement which would minimize possibility of gold and dollar payments.

Re inconsistency with EPU, he said Brit were obviously looking at this from viewpoint of what they thought EPU should be while we were looking at it from viewpoint of what we thought it should be. However, it was not our intention to use agreement issue as means of forcing our views on EPU but want to obtain some solution which would not prejudice solution of EPU, either from our viewpoint or Brit viewpoint.

Secy said that OSR official, Mr. Tasca, was about to go to London to discuss EPU. He hoped these discussions would indicate that 2 govts were not too far apart on basic issues. In any event, since there seemed to be some confusion as to facts re Ger negots (our info indi-

[2] Telegram 1392, March 2, to Frankfort, not printed.

cating Brit had proposed inclusion of Ger in transferable accounts system) and different appraisal of effect on EPU. He thought this point might also be usefully discussed in London by Tasca. Meanwhile, Mr. McCloy is about to arrive in Washington, and the Secy would be glad to take the matter up with him.

Secy made clear that US objection was to discussion with Gers of specific payment proposals and not to conduct of negots.

Re EPU, Secy said on this point also we appreciated Brit difficulties and were most anxious to find some middle ground between various proposals which had been put forward on which general agreement could be reached.

Amb said he would report London on conversation.

Sent HICOG, Frankfort, rptd AmEmbassy, London as 964, Paris for Ambassador and OSR as 905.

ACHESON

CFM Files : Lot M-88 : Box 144 : Ambassadors' Meeting Rome 1950 [1]

Paper Prepared by Mr. Henry B. Cox of the Office of German Political Affairs [2]

SECRET [WASHINGTON,] March 13, 1950.

GERMAN UNITY AND EAST-WEST POLITICAL RELATIONS WITHIN GERMANY

PROBLEM

In pursuance of our policy directed at the eventual political and economic reunification of Germany we are faced at the moment with a two-fold problem:

1. to seize the initiative from the Soviets on the question of German unity by pursuing a more dynamic propaganda compaign designed to point up the fraudulent nature of the "democratic unity" offered by the Soviets—as opposed to the program which we advocate—and,
2. to take effective measures—indirect and direct—to combat the influence of certain West German groups who desire unity at any cost.

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[1] The CFM Files are a consolidated master collection of the records of conferences of Heads of State, Council of Foreign Ministers and ancillary bodies, North Atlantic Council, other meetings of the Secretary of State with the Foreign Ministers of European powers, and materials on the Austrian and German peace settlements for the years 1943–1955 prepared by the Department of State Records Service Center.

[2] The source text was attached to a cover sheet which indicated that it and two other papers on Berlin and the German refugee problem were documents prepared for the Rome Ambassadors meeting scheduled for March 22–24. The composite of the three documents was numbered RAM-6 and dated March 15. For the text of the paper on Berlin, see p. 829; the paper on refugees is not printed. For further documentation on the Ambassadors meeting, see vol. III, pp. 795 ff.

DISCUSSION

The United States has always favored political and economic unity for Germany on the basis of free, unfettered all-German elections. The position of the United Kingdom on this question has closely paralleled our own. On the other hand, the French have shown a definite reluctance to initiate any action in this direction, since they see in German reunification an even greater political and economic threat to France. Despite this reluctance, however, it would be difficult for them not to support US–UK efforts to realize German unity provided sufficient security guarantees were included. The U.S.S.R. seeks German unity which would assure Communist domination.

The understandable desire of the German people for the reunification of their country has been and is being exploited by various pressure groups in both West Germany and East Germany as a means for achieving their own selfish objectives. These groups are discussed in some detail below.

From the establishment of the Soviet-sponsored "German Peoples Congress for the Unity of Germany and a Just Peace" in December 1947 to the current intensive propaganda campaign of the Communist-dominated "National Front", the Soviets and their communist stooges have been attempting—and with some success—to convince the German People that the U.S.S.R. and the communist parties in East and West Germany are the only true proponents of German unification, the conclusion of a peace treaty and the withdrawal of occupation forces. Through the persistent efforts of the "National Front" committees and the Soviet and Communist controlled German press in both East and West Germany, the Soviets have sought to keep the initiative on German unity, although the arrival in West Germany of political refugees from the Soviet zone and prisoners of war has somewhat vitiated the effect of their propaganda. For the moment, the Western Allies have regained the initiative as a result of the recent McCloy statement of February 28 attacking the travesty represented by the East zone elections scheduled for October and indicating our readiness "to assist the German people to achieve unity, based on true democratic principles and reflecting the aspirations of the entire German nation."

The Soviets have sought to gain popular support through appeals which follow the traditional lines of the policy of German-Russian friendship of Bismarck, Gustav Stresemann's idea of Germany as a bridge between East and West, and attempts at German-Russian cooperation during the Weimar Republic. Ever since the Treaty of Rapallo this influential trend in German politics has been based on the assumption that communism must not be an argument against a Russo-German alignment, since, because of the U.S.S.R.'s vast markets

and economic and political resources such an alignment provides the best chance for Germany's revival as a great power.

The growing sentiment for German unification is by no means confined to the Soviet-Communist group, although they have supplied the tactical brains for the campaign. One of the largest non-Communist groups with a vital stake in German unification is the German Protestant Church, since the largest areas of Protestant strength are presently under Soviet control in East Germany. In order to insure its continued existence, and preclude Communist interference in its activities, the Protestant Church has tended to adopt a conciliatory attitude toward the Communist-dominated East German Government, although recent developments seem to reflect a firmer attitude.

Another group which has actively supported the unity idea and, in addition, *rapprochement* with the U.S.S.R. is composed of certain West German industrialists, and businessmen who see in the reunification of the country a means of access to their prewar markets in Eastern Europe. This group has consistently resisted Allied attempts to orient West German trade in certain strategic items away from Eastern Europe. In this connection, a HICOG economist recently estimated that up to $700,000,000 worth of goods per year is being smuggled out of Germany. Most of this goes to the East and most of it consists of strategic items.

Allied with the group is the professional soldier class in West Germany, which while basically anti-Communist, has no compunctions about cooperating with the Soviet Union. Moreover, this group, now inactive, sees in the reunification of Germany an opportunity again to ply their trade and regain their social and economic status in the German community.

In addition to groups already mentioned, a number of small ultranationalistic political associations and parties such as the Nadolny-Hermes Circle, together with several organizations formed by ethnic German expellees and refugees, are also campaigning actively for the reunification of the country. These groups are not only interested in the unity of East and West Germany but include in their statements of political goals the revision of the Oder-Neisse line and the return of the "lost territories" in the East. The latter objectives are, of course, common to most Germans. In this connection one of the principal reasons for the strong Adenauer protest against the Franco-Saar agreement is the feeling of the Bonn Government that any settlement of West German frontiers prior to a final peace settlement would prejudice future chances of obtaining a revision of Germany's eastern frontiers. The failure of the Adenauer Government to take effective measures to integrate the German expellee and refugee population into the economy of West Germany is often attributed to their belief that the presence in West Germany of a large number of refugees

will someday be a potent argument in favor of the return to German sovereignty of the territories from which the refugees came.

It should not be deduced from the foregoing discussion that the bulk of the West German population is represented in the aforementioned groups; such is not the case. However, in order to minimize the unfavorable influence of these groups we intend to pursue a two-fold course of action: (1) we will carry on an increasingly active propaganda campaign designed to reveal the fraudulent character of Soviet-Communist claims of interest in German unity, and to expose those individuals and groups seeking unity at any price; (2) we shall endeavor to convince both the Adenauer Government and the SPD opposition (which has consistently opposed German unity on Soviet terms) that they should develop a constructive program designed to back up the McCloy statement and give a clear indication of active West German interest in the problem of German unity.

There is no doubt but that reunification of Germany is a powerful political magnet to Germans, East and West, and that we must weigh this factor properly in formulating our over-all policy for Germany.

441.62A31/3–1450 : Telegram

The Acting Secretary of State to the Embassy in the United Kingdom [1]

SECRET WASHINGTON, March 14, 1950—7 p. m.

1154. For Amb. Fol is text *Aide-Mémoire* which will be handed to Brit Amb Mar 15 re UK–Ger trade negots:

"Ref is made to the Brit Amb's conversation with SecState on Mar 2, 1950 re the negot of a revised UK–Ger trade and payments agreement and to the memorandum which the Amb handed to the Secy at that time. Since the date of that conversation, the U.S. Govt has obtained from London and from Frankfort further info concerning the proposed agreement.[2]

The U.S. Govt believes it is more desirable to make its views known to the Brit Govt at this time than to await the discussion of any agreement in the HICOM after it has been elaborated. Therefore it wishes to make the fol observations:

1. The US Govt shares the Brit objective of a considerable expansion in the volume of trade between the two countries. In particular, it hopes that there will result a liberalization of treatment of imports from Ger into the UK in view of the current economic situation in Ger.

2. The US Govt believes that arrangements between the two countries shld be based upon the principle of reciprocity with equality of treatment both with respect to trade and payments.

[1] Repeated to Frankfort for McCloy as 1657 and Paris as 1103.

[2] Telegraphic messages containing this information are in file 441.62A31/3–250 through 3–1450.

3. The US Govt wld view with concern any arrangements which were such as wld result in accumulation by Ger of sterling balances which cld not be used for current payments for goods and services.

4. The US Govt attaches great importance to maintenance of the principle of gold and dollar settlements in an agreement between two countries of such great commercial importance as the UK and Ger, and believes that the abandonment of this principle in the agreement now under negot wld be prejudicial to the consideration of plans for a European Payments Union. It is believed that the objectives of the Brit Govt, as they have been explained to the Department of State by the Brit Amb, cld be achieved by such widening of the present swing margins as wld be consistent with the greater volume of trade resulting from the liberalization of the trade between the UK and Ger. The US Govt also recognizes that it may be appropriate to make collateral provision for a reasonable postponement of settlement dates without abandoning the principle of gold and dollar payments if development of trade under the agreement makes such action necessary.

5. The US Govt believes that explicit provision shld be made in the agreement for its reexamination in the light of the European Payments Union promptly fol conclusion of negots respecting the Union."

We will confirm when *aide-mémoire* is actually delivered.[3]

WEBB

[3] In telegram 1758, March 17, to Frankfort, not printed, McCloy was informed that the *aide-mémoire* had been handed to Ambassador Franks on March 15. The Ambassador "was advised US desirous negots UK–Ger trade and payments agreement be concluded without prejudicing discussions EPU and US/UK differences be settled before matter reached HICOM and without publicity." (441.62A31/3–1750) The negotiations continued in Germany along with conversations in Washington, with the British informing the United States on April 24 that the existing payments agreement with Germany would be continued until a new agreement could be concluded. Documentation relating to these developments is in file 441.62A31/3–2750 ff.

662.001/3–2250 : Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfort [1]

CONFIDENTIAL WASHINGTON, March 22, 1950—2 p. m.

1873. Memo on termination of state of war with Ger has been sent to Brit and Fr Embassies today under cover *note verbale*. Copies of memo being handed Benelux missions for info. Text of memo for your info as follows.

"The United States Government has been studying the question of the advisability of terminating the state of war with Germany, in accordance with the decision of the Foreign Ministers at their meeting in Paris on November 9 and 10, 1949. In the course of this study a number of problems have presented themselves.

[1] Repeated to London as 1271, Paris as 1230, The Hague as 272, Brussels as 377, and Luxembourg as 35, and Moscow as instruction 23.

From a legal point of view, the question was raised as to whether the state of war could be terminated without a peace treaty and whether any legal basis exists for continuing the occupation without the state of war. The legal advisers of the Department of State have examined these matters and have expressed the opinion that the state of war could be terminated by a joint resolution of Congress and that sufficient precedent exists to continue the occupation under presidential authority even after such termination. It is not clear, however, that some reciprocal German action would not be necessary in order to complete the termination in as much as there was a mutual declaration of war.

The Attorney General has been studying the effect of a termination of the state of war on domestic legislation. It appears that between one hundred fifty and two hundred acts of Congress would by their terms be repealed automatically upon the happening of such an event. While many of these are no longer of importance, it is believed that approximately eighty of them still are, and it is estimated by the Attorney General that the necessary legislation could not be introduced and acted on by the Congress at the present session. Some delay is therefore inevitable, but the Attorney General has been requested to expedite whatever action is necessary, so that the ground may be cleared as speedily as possible for a termination of the state of war at whatever moment that is considered desirable.

Furthermore, some troublesome legal questions with highly political over-tones immediately arise. With whom is the state of war terminated? Should the German Federal Republic be treated as the *de jure* government of all of Germany, the *de jure* successor to the rights and obligations of the German Reich, although *de facto* able to exercise its authority over only a part of the territory of the former Reich? The United States Government would not be willing at this time to terminate the state of war with Western Germany alone as it is not felt that the existing division of Germany should be accepted as final or permanent. On the other hand the United States Government believes it is still open to question whether it should assert in any formal manner that the government of the Federal Republic is considered to be the *de jure* government of all of Germany. The United States Government considers that the government of the Federal Republic is the only government which can speak for the German people. Therefore the United States Government has acted and intends to continue to act as if the government of the Federal Republic were indeed the *de jure* government of all of Germany. However, this is a claim which cannot be implemented *de facto* in the foreseeable future and it is questionable wisdom to create a situation in which the Western Governments are formally asserting a fiction unless that fiction has a reasonable prospect of soon becoming fact. Therefore, although the

500-421—80——40

technical legal obstacles to terminating the state of war are apparently not serious, there does exist a serious politico-legal question of international character to which the United States Government is not at present prepared to furnish the answer. It is clear, nevertheless, that the Federal Government can in practice be regarded as the only government in existence in the state of Germany which can be held to be capable of speaking for the German people.

The United States Government has furthermore given consideration to the general advantages and disadvantages of terminating the state of war. Such action would be a logical extension of the general policy which the Governments of the United Kingdom, France and the United States, with the approbation of the Benelux Governments, are now pursuing towards Germany, that is, a policy of returning to a more normal inter-state relationship, of developing a constitutional responsible government in Germany, of permitting German consular and commercial representation abroad, and of admitting Germany to numerous international organizations. The German government would undoubtedly welcome a return to a peace status. Such a move would enhance its prestige and particularly vis-à-vis the regime established in the Soviet Zone. It would thus be an advantage—albeit almost certainly only a temporary one—in the propaganda contest thrust on the Western powers by the Soviet Union.

Except for a certain psychological-political advantage, however, it is questionable that a termination of the state of war now as an isolated act would bring substantial benefits or would sensibly alter the situation in any material way. It is one of the relatively few things yet remaining which the Western Powers have to offer to the German Government. There are on the other hand many matters which in one form or another will still have to be settled in agreement with the German government. Among these are claims against Germany, the status of pre-war German treaty obligations and the status of foreign property in Germany. It will also be desired to have Germany recognize the validity of Allied acts in and with respect to Germany, and it will be desired to have the German government enter into certain formal security arrangements. It may also be desirable to have the German government explicitly recognize the occupation status of the three Western Powers and in this connection it might be desirable to seek such recognition by means of a joint document replacing the Occupation Statute at the time of its revision at the end of 1950. From these considerations it is apparent that at the present moment it would be premature to terminate the state of war, as an isolated act. Naturally, if the Soviet Union should take some step amounting to termination of the state of war with "Germany", it would be necessary for the Western Powers to reconsider their position.

It should be mentioned as a factor to be taken into consideration that many nations would be concerned in any arrangements concerning claims, property, security, etc. They might consider formal arrangements covering these questions to be in fact the equivalent of a peace treaty in some respects, and ways and means of allowing their participation or at least consultation would have to be found.

The United States Government remains convinced that return to a peacetime legal status is highly desirable and it will continue to study this problem with a view to removing as speedily as possible any legislative or other legal hindrances which now exist, so that the ground is cleared for action at a suitable moment. That moment may well come in connection with the review of the Occupation Statute to which we are obligated between mid-September 1950 and mid-March 1951. Meanwhile, it is the view of the United States Government, that, if the foregoing analysis of the problem is correct, no useful purpose would be served at this time by convening a committee of jurists as was provisionally agreed at Paris. Rather it is believed that the three Governments, in consultation with the Benelux Governments should give careful and continuing consideration to the possibility of creating early in 1951 a context of larger agreements into which a termination of the state of war could more suitably fit.

The United States Government would be happy to have the observations of the Governments of France and of the United Kingdom on these problems."

ACHESON

Editorial Note

On March 22, the Government of the Federal Republic of Germany released to the press the text of a declaration which noted with satisfaction McCloy's February 28 proposal for all-German elections and which listed the procedures it deemed necessary for the election of a National Assembly whose task would be the drafting of a constitution for Germany. For the text of this declaration, see *Documents on German Unity* (Frankfort, Office of the United States High Commissioner for Germany, 1951), page 148, or Margaret Carlyle, ed., *Documents on International Affairs, 1949–1950* (London, Oxford University Press, 1953), pages 161–162.

On the same day, at the Ambassadors meeting in Rome, McCloy reviewed the whole German situation with the United States Ambassadors in Western Europe and with George W. Perkins, Assistant Secretary of State for European Affairs. For a summary record of his statement, see volume III, page 810.

762.00/4–150 : Telegram

The Director of the Berlin Element, HICOG (Page) to the Office of the United States High Commissioner for Germany, at Frankfort [1]

SECRET PRIORITY BERLIN, April 1, 1950—1 p. m.

562. In evidence [*evident*] defensive reaction to U.S. and Bonn proposals promote unification of Germany through free elections, Soviet Zone "Democratic Bloc" March 29 issued "unanimously adopted declaration." This given biggest headlines first page entire Soviet sector Berlin press except CDU *Neue Zeit* where page 2.

Statement opens with familiar review alleged sins Western Allied Germany policy and pictures asserted sufferings of West German people. Bonn now claimed attempting divert popular attention from foregoing by adopting McCloy free election proposal. Latter merely to maneuver East Germany into American subjugation with end "democratic" Soviet Zone reforms. Peoples Congress demanded free all-Germany elections 1948 but West's answer then was creation separate state, and Occupation, Ruhr, and Security statutes. If Adenauer and Schumacher wish unification, they must fight for elimination these statutes, conclusion peace treaty, withdrawal occupation troops, and restoration Saar as well, and demand introduction Soviet Zone reforms in West Germany. Only then will free elections be possible. East German parties fighting for such goals in national front and will carry out free elections October 15 in this spirit. People will be able vote for these vital questions and all parties must propagandize people these issues. "October elections will thus be convincing acknowledgment of people for own great cause, and thus be in truest sense of word free elections for all Germany."

Apparently significant that Soviets feel obliged continue attempt answer election issue raised West Germany since this confirms reports Soviet Zone contacts that theme is important topic conversation populace. Noteworthy that despite greater publicity this organized Soviet Zone "answer," no fundamentally new line offered beyond initial reaction early March. Communists seem forced ignore implicit Adenauer offer scrap Bonn Constitution and perhaps Occupation Statute in favor letting German people freely decide government desired. Frankfurt's 2605 to Department, repeated London 144, Paris 227, March 28 [2] correctly calls this crucial point "true dynamic" Bonn proposals which should be identified with position Western powers.

Some possibility exists March 29 Bloc declaration may be first item new Soviet timetable in which next step will be Soviet take up bloc statement as basis concrete proposal Western Allies re unification. U.S. overt *Neue Zeitung* reporter states West Berlin journalist friend

[1] The source text was sent as 466 to the Department of State.
[2] Not printed.

chanced overhear remark by Norden, Soviet Zone Government Information Office Press Chief on March 22, day Bonn all-Germany election proposal came over teletype. Norden reportedly stated "they just want to beat us to it before April 15." Journalist not sure remark occasioned by news Federal Republic proposal but believes it may have relation thereto. Haste in establishing national front committees (Berlin's despatch 21, January 12 [3]) explainable if April 15 is date on which national front congress will announce all-Germany elections.

Recall that intelligence source reported before Christmas (my telegram 311 December 12 to Frankfurt, repeated Department 1571, London 482, Moscow 156, Paris 258 [3]) that Soviet Control Commission intended make proposal all-Germany elections. CIC commented today that proposal was to be statement by Soviet Zone Government "President." However, no recent confirmation and only uncertain connection with Norden's remark, if latter even referred to all-Germany elections.

Possibly a Soviet reply to West's proposals would be more effective than statements given out until now through German Communists. Soviets might propose end Occupation Statute, etc. as prerequisites to elections and announce offer peace treaty and troop withdrawal letting East and West Germans settle unification by themselves perhaps via all-Germany elections to national front congress. Desirability early determination U.S. and Allied position emphasized by possibility some positive Soviet initiative near future.

Sent Frankfort 562 rptd Dept 466 London 26 Paris 131 Moscow 21.

PAGE

[3] Not printed.

762.00/4–350 : Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfort [1]

SECRET

WASHINGTON, April 3, 1950—7 p. m.

2252. Urtels 2605 Mar 28 (rptd London as 144, Paris as 227, Berlin as 156 and passed Moscow unnumbered) and 2638 Mar 29 (rptd London as 147, Paris as 231 and passed Moscow unnumbered)[2] re all-Ger elections.

Dept has hesitated give prompt approval your request because of (1) relationship this proposal to recent decision on US side proceed promptly with tripartite agreement for holding of elections in Berlin,[3]

[1] Repeated to Paris as 1453, London as 1495, and Moscow as 285.

[2] Neither printed; in the former, McCloy stated that he felt it was time for tripartite consideration of the all-German election question, while the latter transmitted the text of a message from Berlin (telegram 508, March 25, to Frankfort) which reported reactions of the Soviet Zone population to the proposal. (762.00/3–2850 and 3–2950)

[3] For documentation relating to the question of all-Berlin elections, see pp. 818 ff.

(2) desire, before decision is made on position to be taken by HICOM on all Ger elections, to determine advisability of 3 FM's taking position this subj at coming mtg[4] and (3) dangers proceeding too far along road to Ger unity based on free elections alone (which is of course only one element problem) and vulnerable position we might be placed in if the West wld later have to add new conditions for Ger unity.

With ref to (1) above, it may be simultaneous or closely timed proposals on both all Ger and Berlin election emanating from Ger might tend take away from apparent sincerity of both and give them openly propagandistic flavor. Berlin situation wld be automatically covered by all Ger proposal and it wld seem logical therefore withhold Berlin proposal if we proceed on other. We have been reluctant suggest this due desire for action in Berlin before May FDJ rally.

In connection with (2) above we are now considering whether FM's shld publish rather full statement on Ger unity which wld cover not only free elections but reestablishment four power control machinery without veto, four power occupation statute, dissolution para military units, etc. It might also include our position on frontiers, reparations, etc.

In connection with point (3) above, we wish underline necessity introducing into discussion before idea develops too far the point that agreement to unite Ger necessarily involves agreement on conditions under which govt of unified country wld function. To be acceptable to us, these conditions must be such as permit govt function effectively, without arbitrary interference from Sovs and without econ drains which wld impede Eur recovery. We are prepared support Ger unity at some risk on this basis. We must avoid, however, becoming engaged in protracted negots which offer no basis for success and which deflect Ger energy and interest from Eur polit and econ integration.

We are delighted with progress made in last few weeks to gain initiative from Sovs. We agree some follow up to Bonn declaration desirable on HICOM level even if main emphasis were to be placed on statement by Fon Mins. Believe we can afford sufficient delay to formulate planned sched at least up to termination FM mtg.

In view above, will you give us your views on (1) relationship between all Ger election proposal with present plans to proceed and proposal for Berlin elections; (2) desirability Fon Mins setting forth fairly complete statement of Western desire for and terms of Ger unity. If you think such statement desirable wld it be preferable for HICOM restrict itself at this time to general statement of support of Bonn Declaration without offer negotiate? If you have any prelim

[4] For documentation on the tripartite Foreign Ministers meeting in London, see vol. III, pp. 828 ff.

views of Fr–Br on follow up to Bonn Declaration they wld be helpful to us.[5]

In any position we take on this problem, we recognize cogency of arguments outlined Berlin 508 to Frankfort[6] re Sov Zone reaction and agree concept Nat'l Constituent Assembly offers maximum appeal to Eastern Gers. This principle was not included in agreed tripartite paper of May 28, 1949 on all Ger elections,[7] partially because it wld have disrupted development West Ger Govt at that time. Believe we can accept this broader concept now that it has been put forward by Fed Rep and we wld be prepared press Br and Fr at appropriate time agree with this concept in connection with supervised free elections.

ACHESON

[5] For the reply to this request, see telegram 587, April 5, p. 839.
[6] See footnote 2, above.
[7] *Foreign Relations*, 1949, vol. III, p. 1041.

762.00/4–650 : Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfort

SECRET WASHINGTON, April 6, 1950—7 p. m.

2352. For McCloy from Byroade. In addition to steps that may be taken by FonMins to facilitate long-term solution of Ger problem, which we consider most important at this stage, we are now considering what specific measures cld be taken which wld help situation in Ger in immed future and strengthen your hand in coming summer months during which local tensions seem bound increase. Purpose this msg is to obtain your independent analysis of steps which might be taken by Mins. Bear in mind that when we speak of long-term solutions we include not only integration of Ger in West but also steps which may be taken to advocate or effect Ger unity. Apart from these matters, we incline to believe that FonMins themselves cannot reach many decisions on specific items at this time which will be helpful as public announcements. It must be remembered too that 3 Mins will probably meet for only 3 days on all subjects.

In this connection we have studied Rome's 1242, Mar 24.[1] As seen from here it appears that fields in which consideration shld be given for such action wld include fol:

1. Berlin. In view of expected difficulty in Berlin this summer perhaps Mins shld issue declaration of our determination to remain in Berlin. While such statements have been made many times in past a formal declaration by all three FonMins might be effective. It shld of

[1] Vol. III, p. 826.

course include strong statement of our interest in and our continuing support of Western Berliners. It wld be well to couple with this declaration some specific step going beyond simple declaration of support. We might consider this the time to persuade Fr to join us in declaring cessation of suspension of Berlin as twelfth *land*. This wld probably be most effective step possible in polit field.

Do you have any ideas on anything which cld be done by Mins on question of free access to Berlin?

In econ field Mins may be able make some announcement affecting procurement in Berlin. Problem here wld seem to be advance preparation so that Mins' statement wld not be idle words but that real progress cld be made in European purchases in Berlin following this statement. In this field we shld consider possibility of declaration by North Atlantic Treaty Council instead of three Mins, as this might be more effective if it cld be obtained in such a way as to have real meaning.

2. Communist Youth Rally. It might be well to consider whether Mins shld make any special reference to coming youth demonstration Berlin. If preparations continue of nature that makes violence real possibility, wld you consider it at all desirable that some advance communication shld be sent by the three Govts to United Nations? It may be well to be clearly on record before world opinion in advance of event if real violence is possibility. We might also study possibility of asking UN send neutral observers to Berlin during month of May.

3. Refugee Situation. No really effective step has yet come to mind. However, since this problem seems to be of such fundamental importance to Europe that Mins shld probably discuss, we will continue to strive for positive suggestions that Secy might make in this connection. We must be careful on this subject not to make announcements of formation of a tripartite or internatl body to tackle problem unless some results can be foreseen.

4. Internatl Orgs. While further announcement shld probably not be made on this subject as decision was made and announced last Nov[2] it may be well for you, if you have not already done so, to analyze how much the delay on this has been due to Ger inability to move forward rapidly and how much is due to matters under control of Allies. We believe that tripartite consideration must be given to resolving some of internatl legal questions involved. We are preparing paper this subject.

5. Federal Republic Econ Situation. Both Bevin and Schuman have expressed desire discuss this topic. We do not know what aspects of problem they wish discuss. We ourselves feel that exchange views cld appropriately take place in preparatory talks, but do not see advantage in Mins getting into detailed discussions. Question is what policy issues can be raised which can facilitate your work. We wld of course wish to avoid discussions that might lead to recommendation that HICOM intervene more vigorously in internal Ger affairs or to any public statement that might be construed as reflection on Fed Rep. On other hand, conceivable that discussions might result in recognition gravity econ situation and in gen instr to HICOM to conduct affairs in security and polit fields so as to minimize burden on Ger economy.

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[2] For documentation on the decision of the three Foreign Ministers at Paris in November 1949, to allow the Federal Republic to join various international organizations, see *Foreign Relations*, 1949, vol. III, pp. 477 ff.

Gen principle along such lines shld serve to strengthen your hands in dealing with subjs like liberalization trade, shipbuilding for export, etc.

6. Saar. In event of some major advance at this mtg toward effective integration of Ger in a strengthened Western community, it might be desirable or feasible to reopen question of basic Fr policy towards Saar in an attempt to persuade Fr to adopt some new policy such as promise of plebiscite at time of final peace settlement.

Above represents only tentative thinking and none of above steps have been decided upon or cleared here. It is presented at this stage in effort to aid in your analysis and recommendations. It is aimed only at those items which might furnish additional support and confidence in short run and omits other items we will have to discuss, such as Ruhr Authority relationship with HICOM. If we cld couple some of these short range steps with progress on larger picture this package might prove extremely effective in coming months.

Request your gen recommendations on steps above well as on any others you may have in mind. [Byroade.]

ACHESON

762.00/4–1050 : Telegram

The United States High Commissioner for Germany (McCloy) to the Secretary of State

SECRET NIACT FRANKFORT, April 10, 1950—8 p. m.

3014. For Byroade. ReDeptel 2252, April 3.[1] In view of rapidity and volume of exchange on all-Berlin and all-German elections, feel that recapitulation of our program desirable.

1. Calling for all-Berlin elections, Department's authorization for which is greatly appreciated, does not minimize necessity of following-up on Bonn proposals for all-German elections. The two proposals are quite separate segments of our present propaganda and political campaign intended to regain and retain initiative, discredit and disrupt Soviet election timetable, and enlist psychological support of Germans. Linking of two proposals will not give them a propagandistic flavor if both have legitimate basis rooted German urge to effect unification of both Berlin and Germany. But restricting our moves to Berlin to exclusion of Germany would (*a*) reduce prestige of Bonn, (*b*) pull carpet from under our feet in midst of propaganda effort which has produced substantial results and promises much more, (*c*) impress Germans again, to our disadvantage, that Western Powers split on matter of German unification and thus (*d*) add to their uncertainty in adhering to West and integrating with Western Europe.

2. Though we see impressive advantages in three Foreign Ministers issuing statement on conditions of German unity, we feel such should

[1] *Ante*, p. 617.

not exclude our proceeding now on HICOM level with proposal to negotiate electoral law with Soviets. I note with satisfaction that Department now feels it can support concept of an all-German constituent assembly and that it is prepared to support German unity at some risk if emergent all-German Government might be spared arbitrary interference from Soviets and economic drains which would impede recovery of Western Europe. I think, therefore, that Department's thinking and ours is very close but that Department may be confusing our suggested tactical approach with Department's long-range thinking on terms on which peace settlement might be concluded with an all-German Government.

3. As seen from here, before all-German Government can emerge from either Bonn proposals or our offering to negotiate an electoral law with Soviets, many time-consuming steps must be completed, i.e., constituent assembly, drafting of constitution and framing of controls. Hence, because of advantages of enlisting German psychological urges and convincing them of interest of Western Allies in doing the possible in assisting them to unify their country, it would appear that considerable values will inure in our making the effort at this stage. For reasons which follow, it would appear that such efforts should precede any announcement of three Foreign Ministers on conditions under which Western Powers could support a united Germany as a candidate for a peace settlement.

4. We have envisaged our program as falling in three essential stages, which have previously been outlined to Department. First was re-seizure of initiative, which has been attained through my statement, Secretary's comments on German unification in his Berkeley speech [2] and Bonn proposals. At time we entered this campaign which was forced on us through progress made by Soviet and national front lines, we pointed out that once having seized initiative we would have to recognize that unification would remain a live issue until it had been accomplished or West Germans realized that it could be accomplished by throwing their lot with Western Powers. Second state, which we have now entered, is to press our advantage, which we feel can be done with minimum risks to ourselves and maximum disadvantages to Soviets. This is important not only to enlist psychological support of Germans but to justify our present position, as defined by Secretary in Berkeley, that unification of Germany through free elections should form preliminary to peace settlement and settlement with USSR. Though we may well qualify this position in practice and eventually work toward a *de facto* peace settlement with West Germany, I should not think we would wish to do so until (*a*) we had undercut Soviets line that peace treaty and withdrawal of troops is necessary to free elections, with our own caveat, fortified by bona fide political moves, that Germany must be unified and an all-German Government established as a necessary preliminary to peace settlement and (*b*) convince the Germans that only the Soviets have compelled them and ourselves to modify this position. Hence, moving ahead now is not only advantageous from standpoint disrupting Soviet plans but is vital to maintenance of our controls which under Soviet propaganda barrage may grow more unpalatable to Germans. Our failure to move ahead

[2] For the text of Secretary Acheson's speech at the University of California on March 16 on the tensions between the United States and the Soviet Union, see Department of State *Bulletin*, March 27, 1950, pp. 473 ff.

now will not only cancel our gains but increase West German suspicions of our motives and resolution. Third stage would be enunciation of broad terms of conditions under which Germany might be unified and emerge as candidate for peace settlement. We think this should preferably be done by three Ministers at governmental level and might be more effective if made in context of our having offered negotiations on HICOM level and failed through Soviet refusal to negotiate or through making impossible counter-proposals which because of our previous efforts, would not make propaganda capital with Germans.

5. Hence, our program as outlined and which envisaged offer of limited negotiations for electoral law should not be confused with controls which four powers might wish exert vis-à-vis a hypothetical all-German Government or with conditions of the peace.

6. We do not believe that protracted negotiations of type suggested by Department would result from suggested offer to enter limited negotiations, or, in remote possibility such did eventuate, that they would deflect German energy and interest from European political and economic integration. On contrary, I feel strongly that West Germany will not become either a firm or responsible member of an integrated Western Europe unless and until it is convinced that Western Europe is interested in the unification of Germany and that integration with Western Europe does not, therefore, connote a writing-off of the East. In this connection, we must remember that Germans deeply suspect that West would willingly write off East Germany and this contributes to their dangerous tendency to play off East against West, seek to drive wedges between Allies, and manipulate their affairs in a manner not entirely conducive to European integration.

7. Our best estimate of situation impels recommendation that we cannot afford to lose initiative now or observe silence until three Ministers convene. If HICOM fails reach agreement, we would welcome Ministers taking up matter but note that they will meet for only three days and will not have opportunity examining specific programs.

8. We must be in position by, and preferably before, April 14 to submit position paper to PolAff committee of HICOM.

In light of above, could not Department accede to our proceeding to present a position paper based on previously submitted program (mytel 2605, March 28 [3]) and accompanied by statement to effect that relinquishment of present control, pattern of control of an all-German Government, and conditions of peace therewith are in no way involved or a subject for discussion with Soviets?

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[3] Not printed; the program McCloy suggested reads as follows:

"That HICOM issue communiqué giving full support to Bonn proposals and including statement of willingness to negotiate with Soviet Control Commission for purposes of forming an electoral law which will govern all-German elections for constituent all-German assembly empowered to draft an all-German constitution. Proposal to negotiate with SCC would make it explicitly clear that (*a*) negotiations be confined to electoral law and attendant safeguards, including those enumerated in Bonn document, (*b*) drafting deputies to be appointed for this purpose, and (*c*) offer of limited negotiations proceeds from belief that agreement on *modus vivendi* for formation of all-German Government should precede consideration of larger problems involved in peace settlement." (762.00/3–2850)

Sent Department 3014; repeated Berlin 206, London 171, Paris 266, Department pass Moscow 23.

McCloy

740.00/4–1250 : Telegram

The United States High Commissioner for Germany (McCloy) to the Office of the United States High Commissioner for Germany, at Frankfort [1]

SECRET PRIORITY Bonn, April 12, 1950—6 p. m.

164. Blankenhorn [2] stated today no general agreement had been reached between Adenauer and Schumacher in their conversation last week. However, he said they did agree that if the Federal Government were to enter the Council of Europe [3] it would, in effect, mean a definitive separation of East and West Germany and that Adenauer would have to take the responsibility therefor. Such a decision would greatly increase Adenauer's responsibility toward the German people as a whole and particularly the Eastern Germans. It would likewise involve the Federal Government directly in the East-West struggle, especially in questions involving Berlin. Consequently, according to Blankenhorn, Adenauer and Schumacher agreed that entrance of the Federal Republic into the Council of Europe should be accompanied by increased participation being granted to the Federal Republic in European affairs. Blankenhorn said that unless Federal Republic were taken into confidence of the western governments Adenauer could not assume the responsibilities implicit in his decision to enter the Council of Europe. With this he intimated Schumacher was in agreement. Blankenhorn said, for example, that he had told Bérard [4] last night that it was his personal opinion that Adenauer should be invited to the Foreign Ministers' Conference in London to report on the German situation. (Blankenhorn had made it clear that Adenauer was not associated with this suggestion.) Pointing out to Blankenhorn that increased participation by Federal Republic in east-west matters entailed increased responsibility vis-à-vis German people for Germany's security in the east-west conflict, I asked Blankenhorn exactly what he meant by added participation which should be given to Adenauer. Blankenhorn replied that so far as the German people were concerned only Adenauer could be held responsible for German security. Not only should Adenauer be heard,

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[1] The source text was sent as 149 to the Department of State.

[2] Herbert Blankenhorn, personal secretary to Chancellor Adenauer.

[3] On April 1 the Committee of Ministers of the Council of Europe had invited the Federal Republic of Germany to become an Associate Member of the Council.

[4] Armand Bérard, Political Adviser to the French High Commissioner for Germany.

but his advice should, at least to a limited extent, be followed with regard to the Berlin question and other east-west problems.

In conversation with Bérard immediately following my talk with Blankenhorn, Bérard stated he had it from "unimpeachable, absolutely reliable" sources that Schumacher in conversation with Adenauer had stated that Federal Republic could not enter the Council of Europe without taking sides in the east-west struggle. Schumacher, according Bérard, argued that Federal Republic should not take sides in the east-west struggle but should provide meeting ground for the solution of the east-west conflict. Bérard stated that while Schumacher, according to his sources, did not use word "neutrality" nevertheless he had argued with force and with some success with Adenauer that Federal Republic should not definitely align itself with the west.

I told Bérard of my recent conversations with Schumacher and other SPD leaders, including Carlo Schmid, and expressed skepticism at the accuracy of his report. Bérard nevertheless insisted that his sources were absolutely reliable and accurate. Bérard indicated that he had originally considered Schumacher's argumentation as a tactical move but he was inclined to believe it was a basic strategic shift in SPD policy. That being the case, we both agreed it was a matter of major concern which might involve a complete shift in Allied policy towards Germany. Bérard did say, however, he felt the great majority of German people definitely identified themselves with the west and would oppose the "middle ground" position Schumacher suggested.

Comment: Based on my conversation with both opposition and government leaders in the past few weeks, I am inclined to the view that Schumacher, who is no statesman, is possibly attempting a double blackmail against Adenauer and the Allies. He had, apparently with some success, as reported in my cable Bonn to Frankfort 161,[5] written prior to my conversation with Bérard, played upon Adenauer's feeling of frustration in the problem of German territorial security. He has at the same time given Adenauer a weapon which he may possibly use against the Allies to wring concessions for entrance into the European Council. In this connection, it is significant that Blankenhorn did not employ this weapon in his conversation with me this morning, whereas I do not doubt he did so in his conversation with Bérard last night. It is entirely possible that Adenauer is reserving this threat for use on McCloy this evening.[6] If Schumacher is serious in suggested shift in SPD policy toward a middle ground between Soviet Union and America, it may be well to mention there is no evidence thus far among SPD members of Bundestag of support for such a shift. Possibility

[5] This cable was not repeated to Washington and was not found in the Frankfort Post Files.

[6] Regarding McCloy's conversation with Adenauer on the evening of April 12, see telegram 162, April 14, p. 627.

should not be overlooked that Bérard, who invited me today for first time, is trying to build a fire behind us to push the Federal Government into immediate entrance into European Council by means of a possibly questionable rumor.

Sent Frankfort 164; repeated Department 149; Berlin 63.

McCloy

762.00/4-1050 : Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfort [1]

SECRET PRIORITY WASHINGTON, April 12, 1950—7 p. m.

2512. For McCloy. We have studied excellent recapitulation of your program for follow-up on all-Ger elections proposed by Bonn Govt and comments on Deptel 2252 Apr 3 contained urtel 3014 Apr 10 (rptd Berlin 206, London 171, Paris 266, Moscow 23). Dept agrees with your analysis of importance not permitting Western initiative drop and is now prepared authorize you to proceed with program along lines outlined urtel 2605 Mar 28 (rptd Berlin 156, London 144, Paris 227, Moscow unno.[2]).

Form of control which might be exercised by Occupying Powers over a possible all-Ger Govt and timing of reference to it in our offers to Sovs continue to be a matter of concern to us. We think this aspect of problem must be carefully considered in light of factors outlined Deptel 2252. Although inclined to agree that any actual move toward negots on this point might best be deferred until third stage of program outlined urtel 3014, we think it would be dangerous to omit any mention of it at this stage. Believe problem can be met by inclusion of brief statement in proposal to Sovs to effect that if agreement reached on electoral law consideration of form of quadripartite control shld then be discussed. Statement must make clear that we would insist on liberalized system of control which wld permit an all-Ger Govt to function effectively. Thus, while limiting possible initial negots to electoral law, we wld have made our ultimate conditions clear from beginning and cld not be charged at some later time with introducing new demands calculated to wreck plan for Ger unity.

In proceeding with this program consider it of utmost importance to prevent any disclosure of our plans to press. Pls stress this fact to your Brit and Fr colleagues and to Ger officials with whom you discuss problem. In our opinion divulgence of plans re all-Berlin elections has largely nullified their effectiveness.

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[1] Repeated to Paris as 1600, London as 1651, Moscow as 312, and Berlin as 108.
[2] Not printed, but see footnote 3, p. 623.

In proceeding with program pls keep Dept fully informed and clear texts of agreed statements or proposals with us in advance of issuance.

ACHESON

750.00/4–1450 : Telegram

The United States High Commissioner for Germany (McCloy) to the Secretary of State

TOP SECRET PRIORITY BONN, April 14, 1950—2 p. m.

162. Personal for the Secretary and Byroade. Have had long talks with Chancellor and Schumacher of which detailed reports will be sent over weekend.[1] Clear that former, perhaps with inspiration of latter, now seeking obtain significant concessions in connection with European Council entry. Whereas formerly Adenauer constantly protested his eagerness to join Western Europe, today he stresses seriousness of the decision, its possible provocative effect on Russia, and the danger of provocation considering the great Russian military strength and the lack of progress in the development of Western strength. He repeated frequently that he was called upon to make a decision of the deepest consequence to his country while blind because of lack of representation as to what was going on in the world. Told him that I agreed it was a heavy and significant decision and one which had to be made according to his best judgment and strength of character, that no concessions or gestures could alter the seriousness of the decision, and for him to suggest that a gesture might determine his judgment on so important a matter was unworthy of him. Clear he has majority if he wishes to employ it—perhaps of 30 or 40—but he does not wish to use it without (1) some concession which will take heat off Schumacher opposition based on Saar and (2) exhausting all possibility of obtaining commitment which would lead to direct and perhaps personal participation in European policy making.

Schumacher did not refer to European Council or Saar, but was most interesting on Berlin and general elections. Stresses large effect of our reemphasis of free elections, particularly in East Zone, and urged follow-up. More on this will follow.

Also significant to me is fact that Robertson advised me he was going to London well in advance of conference, and his intimation that preliminary consideration of the extent to which occupation statute should be amended would probably take place shortly in London. I gather that Kirkpatrick[2] favors rather wide abandonment

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[1] McCloy had had dinner with Adenauer on April 12 and with Schumacher on April 13. The more detailed report was transmitted in telegram 3179, April 17, from Frankfort, not printed (740.00/4–1750).

[2] Sir Ivone A. Kirkpatrick, Permanent Under Secretary of State (German Section), British Foreign Office.

present retained powers, particularly in respect to foreign affairs. This subject must be approached most carefully for once advocated by one of the powers there will be very little chance to hold present position.

Significant also is that Massigli [3] reports that Kirkpatrick advised him that British were informed and confident that there would be in the near future a majority vote taken in the Bundestag in favor of nationalization of coal, with not only SPD but left-wing of CDU voting in favor. Cannot as yet appraise the truth of Kirkpatrick's assertion but French take it seriously and are much alarmed.

McCloy

[3] René Massigli, French Ambassador at London.

762A.00/4–1750 : Telegram

The United States High Commissioner for Germany (McCloy) to the Secretary of State

SECRET PRIORITY FRANKFORT, April 17, 1950—4 p. m.

3174. Have considered carefully your 2352 (April 6) concerning specific items which might be discussed Foreign Ministers in order to facilitate moving ahead in western Germany. I appreciate limited time available and that specific issues should be discussed only if decision indispensable to progress. Have also taken into account approach and thoughts expressed in FM D A–4/2,[1] and certainly agree time has come when FM should give careful consideration to broad outlines of our future program.

With these thoughts in mind I have reviewed which problems at minimum should be settled promptly by governments and which it does not seem possible that HICOM can settle at its level, our aim being to achieve best atmosphere possible during critical months between now and forthcoming elections in Soviet zone. No need to recount to you areas we feel we are most vulnerable in the economic and political fields, since these covered during my recent visit home and at Rome meeting of Ambassadors. My comments on your numbered paragraphs follow:

1. *Berlin:*

I agree with your endorsement of Rome proposal for Ministers declaration of our determination to remain in Berlin. The wording of such a declaration is extremely important in order to avoid impression that question of withdrawal from Berlin was at any time under consideration. I will bring to London draft declaration to this effect. I believe also that attempt should be made to reach agreement on incorporation of Berlin into western Germany as twelfth *land* even

[1] Not printed, but see footnote 1, p. 682.

though it may not be announced at end of conference. Such announcement might be inconsistent with whatever might be agreed and published concerning the larger program for unification of Germany or inclusion of Germany in western European organization. In this event twelfth *land* announcement might well be reserved to later more auspicious date. As to matter of free access to Berlin, recall that at Paris CFM this matter considered extremely technical and believe experience indicates this not subject for Foreign Ministers to discuss.

2. *Communist Youth Rally:*

Do not believe FM should make any specific reference to youth demonstration in Berlin at this time, but would prefer to reserve this until after May 1 pending possible later developments in situation. Similarly, do not feel that advance notification to UN, or value of neutral observers can be determined at this time. We believe that matter can be handled with present resources and are concerned lest appeal to international body be interpreted as show of weakness or lack of self-confidence.

3. *Refugee Situation:*

Beyond continued economic support of DP's and expellees and new efforts to achieve better distribution among three zones, there seems little HICOM can do in alleviating this serious and burdensome problem. Believe three governments, however, could usefully establish study group which would put in hand survey of (1) world-wide emigration possibilities, (2) utilization of German technicians and skills in Point Four and other technical assistance programs for undeveloped areas, and (3) basis on which ECOSOC could push further solutions of this problem. Principles of foregoing might be approved and study group initiated by three Ministers.

4. *International Organizations:*

Since adoption of inter-governmental working party report on German participation in international organizations [2] do not feel that any circumstances have arisen which would call for change in recommendations contained therein. Germany's entrance into international organizations has been as fast as could reasonably be expected subject to unusual circumstances such as CRC and IWO [*ILO?*]. However, feel there is still reluctance on part of French to give German Government full membership without Allied supervision. We are conscious of legal question which arises and are giving thought to question here. Feel that there will be no delay resulting from German inability to accept membership.

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[2] Not printed.

5. *Federal Republic Economic Situation:*

Agree Ministers should in general avoid detailed discussions, and that general line directed at minimizing controls on German economy is sound. However, in several respects security restrictions are producing situation rapidly approaching boiling point. Specifically restrictions on shipbuilding, resulting in unemployment at Bremen and Hamburg, and ceiling on steel, now rapidly becoming favorite retreat of Germans in attempting to explain failure of efforts to reduce unemployment, are matters beyond HICOM control. For this reason we have proposed general review of security measures including level of industry and PLI. Believe serious thought should be directed this subject on which more will follow in reply urtel 2450, April 11.[3] Meantime, suggest possibility Bevin–Schuman interest this subject may be intended to undercut just such re-examination security controls as we propose, perhaps by argument that Germans are proceeding to liberalize unrealistically along lines dictated by American economic thinking and therefore that solution German economic problem lies chiefly in introduction proper governmental controls more in keeping with current and particularly European conditions. While we agree Federal Republic approach excessively "laissez faire" in terms ECA requirements, our approach is that progressively liberalized western European economy has little to fear and much to gain from strengthened more productive German economy as basis for firm establishment democratic government in western Germany.

6. *Saar:*

Tentatively suggest US should not raise Saar issue (subject results Bundestag debate and subsequent events). If French and British raise question would put emphasis on concern we feel at effects in Germany as result unanswered allegation that Saar regime cannot meet democratic standards allies are seeking to instill in western Germany, rather than on plebiscite as such. In this regard possibility of UN trusteeship should be studied.

In summary feel that Foreign Ministers should take up following specific items:

(1) Berlin declaration
(2) Refugee situation
(3) German economic situation
  (*a*) Review of level of industry and PLI
  (*b*) Shipbuilding for export
  (*c*) Decartelization (Law 75 if not settled prior)

[3] Not printed; it asked McCloy for an elaboration of his thoughts on any new and realistic consideration which the Foreign Ministers might give to the German security question. (762A.00/4–1150)

(4) Pattern of controls both in general terms and as subject may be affected by its relationship to FM D A-4/2 and to (3) above.

Two additional items are possible for CFM agenda. First is relation of IAR to HICOM. Proposal for transfer of functions of HICOM to IAR as contained in French *aide-mémoire* [4] we understand will be discussed by preparatory group. Second subject is revision of occupation statute. Again feel that preliminary work must be done on lower level preferably by explorations in HICOM. Also since this subject linked to larger program presented in FM D A-4/2 and work thereon would be conditioned by any progress made along approach mentioned therein. However, I am prepared to have preparatory group discuss both these subjects in preliminary May 1-8 talks in London.

Reurtel 2473, April 11, our 2949 April 7 [5] is primarily list of papers. Other points raised answered by foregoing and reply your 2450 now being prepared. While aware necessity limiting specific German issues, strongly believe Ministers meeting at this juncture must advance solutions basic European problems on agenda as primary means of addressing most urgently required over-all decisions respecting Germany. Lack of substantial solution would be interpreted as failure on both sides of curtain.

McCloy

[4] The French *aide-mémoire* under reference here has not been identified further.
[5] Neither printed; they discussed the lists of papers to be prepared for the Foreign Ministers meeting and subjects that should be discussed in London or in Frankfort by the High Commissioners. (762.00/4-750)

762A.00/4-2150 : Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfort

SECRET

Washington, April 21, 1950—8 p. m.

2779. We have read with interest and some concern your recent tels re Adenauer's and Schumacher's views on Ger entry into Council of Eur and its relationship to East-West situation in Ger, particularly Bonn's tels 149 Apr 12; 155 Apr 13; 162 Apr 14; and urtel 3179 Apr 17 from Frankfort.[1] We realize of course that the views presented in certain of these tels were colored by varying interests and attitudes of persons reporting them, such as Bérard, Herwarth [2] and Blankenhorn, to say nothing of Adenauer and Schumacher themselves. Despite this fact, they seem to demonstrate a growing tendency on part both

[1] Telegram 149, same as telegram 164 to Frankfort, p. 624; telegram 155, not printed; telegram 3179, not printed, but see footnote 1, p. 627.
[2] Hans Heinrich von Herwarth, Chief of Protocol in the Foreign Office of the Federal Republic of Germany.

of govt and opposition to proceed more cautiously in associating Fed Rep with Western community of nations.

Although it is obvious that the opinions expressed were to a varying degree motivated by a desire for concessions from Western Powers, the possibility that these opinions reflect a certain tendency to refrain from taking sides in East-West struggle seems sufficiently significant to warrant careful analysis on our part. Admittedly, this tendency is symptomatic of a certain amount of disillusionment with respect to part Fed Rep may play in immediate future in Western Eur, particularly Council of Eur problem. We are inclined to agree with Herwarth, however, that it probably reflects a certain lack of understanding by Gers of realities of foreign affairs in gen and East-West situation in particular. Herwarth's comment applied particularly to Schumacher, but Adenauer's statements wld seem to indicate that it might equally well be applied to him.

We are particularly struck by apparent shift in thinking on part of Schumacher and wld like your considered analysis of Bérard's statement that it represented a basic strategic shift in SPD policy. We have seen no particular evidence thus far which might indicate that it represents the opinion of SPD membership in gen. We believe Bérard's comments may be result of Fr desire not only to push Fed Rep into membership in Council of Eur but also to strengthen Adenauer's Govt in order to avoid possibility of a Govt dominated by SPD.

Regardless of reasons behind views expressed by Adenauer and Schumacher, we consider it important to disabuse them of any notion that use of East-West situation to wring concessions from West can be productive or helpful. We agree that Gers can be said to have certain legitimate causes for complaint of late and consider it important for Western Allies to take further steps to effect their closer association with Western community, but we think it equally important for them to have no delusions about the ultimate results of any attempt on their part to use East-West situation in Ger as a bargaining weapon. This cld have only one result, namely to undermine whatever confidence may already have developed in other Western countries regarding Ger people and Govt and to create a climate which wld hardly be conducive to granting of broader powers to Fed Rep in near future.

ACHESON

Editorial Note

At the meeting of the Political Affairs Committee of the Allied High Commission on April 21, the question of tripartite action on the question of all-German elections was, at the request of the British and

French, referred to the High Commissioners. The High Commissioners considered the question at a private meeting following the 26th session of the Council on April 27, and adopted a statement calling upon their governments to "consider the propriety of an approach to the Soviet authorities for the holding of free all-German elections." (Telegrams 3415, April 15, from Frankfort and 192, April 27, from Bonn, neither printed, 762A.00/4–2150 and 396.1–LO/4–2750.)

762A.5/4–2550 : Telegram

The United States High Commissioner for Germany (McCloy) to the Secretary of State

SECRET NO DISTRIBUTION FRANKFORT, April 25, 1950—4 p.m.

3485. Eyes only for Byroade from McCloy. In reply urtel 2450, 11 April.[1] I have strong feeling that our present approach to problem of preventing Germany from "again becoming threat to peace of the world" is unrealistic. We are undertaking controls now which we are told would have prevented World War II had they been undertaken after World War I. Thus we have attempted to improve on Versailles by absolutely forbidding Germany to arm, with intention of preventing another Von Seeckt[2] conspiracy; we have limited Germany's industrial production and capacity and prohibited certain industries, have placed Ruhr to some extent under international control, and have made deconcentration an agreed occupation policy, all with view to preventing re-emergence in Germany of a predominant industrial potential under highly centralized control.

These restrictions seemed logical in a context of post-war international cooperation, when world-wide control of atomic energy and world-wide disarmament appeared to be possible. I question whether they make sense in present divided world, when both sides are struggling for atomic supremacy and both sides are rearming. While our political orientation has changed completely, our security complex as regards Germany remains unchanged.

I suggest that real security for Western Europe lies not in limiting Germany's production, but in strengthening Western Europe by addition of Germany as willing participant and eventually as full partner in concert of democratic powers. The best guarantee that Germany herself will not endanger peace of Europe lies on her Eastern borders. Greatest danger to West—that Germany might be tempted to throw in her fortunes with those of East—is to be met not by imposing upon Germany restrictions which will make Germans resent Western inter-

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[1] Not printed, but see footnote 3, p. 630.

[2] Col. Gen. Hans von Seeckt, Chief of the High Command of the German Army, 1918–1926.

ference and mistrust any German Government which cooperates with West, but by ensuring that legitimate aspirations of Germans are realized within Western concert. This means economic progress to the point of her capacity to supply her own and her neighbors' needs. It means giving back to Germans ground for satisfaction with form of government to which they would owe their rehabilitation.

Germany must be brought into Western community (through a North Atlantic Union or by other means) as rapidly as possible. And it is folly to think of bringing her in as permanent second-class member. The real problem of US policy in Europe seems to me therefore to be that of finding way to foster right kind of Germany and to have that Germany accepted by other Western powers, and indeed by whole democratic world, as an equal partner.

If this is a correct analysis, we must review not only our security policy but indeed our entire approach to Germany. We have proceeded so far by establishing security controls, presented to German people as virtually absolute and not subject to modification, along side of which we have offered an area of economic and political freedom, subject to enlargement as Germans begin to find their way. But we have already seen that area of freedom cannot be isolated from area of control, as, for example restrictions on shipbuilding and steelmaking give rise to or prevent solution of problem of unemployment. Likewise we have seen that area of freedom itself can be a source of difficulty, particularly when it is used by Germans to bargain for concessions in area of control. Our critical need is not for permanently handicapped Germany kept powerless by foreign occupation, but for cooperative effective Germany made useful by strength of her own democratic institutions. The first priority, therefore, must be our positive role of guiding and strengthening that democratic development, with a less theoretical and more practical interpretation of our powers in German domestic political affairs. But at same time, we must not handicap that progress by unreal and outmoded security controls.

We know that World War II came not only because Germany rearmed nor even because Allies failed to intervene to prevent rearming. It came because German democracy bore the taint of defeat and because it lacked vigor and prestige to ride out bad times—people turned against it when going got hard. What German democracy needs and has never had is success in eyes of German people. The elements of this success are clearly a rising standard of living, coupled with a reasonable degree of economic stability, and a respected voice in international affairs. Many Germans agree with us when we argue the need for various internal democratic reforms. Few agree with us that Germany cannot be trusted with ships or with more than 11 million tons of steel. In particular we must recognize the legitimate concern of

the West Germans for their own security. We cannot expect any German Government which leaves this question in its present unsatisfactory state to gain the support of its people.

Once it is agreed that such a revaluation is called for, the next thing is a timetable. Certainly it would be untimely now to press for German rearmament, or for re-establishment of an armaments industry. It may be very long indeed before this issue becomes urgent, and when it does it may well rise from our need rather than from German demand. But it is not untimely to press for a lifting of restrictions currently in force on production for peaceful purposes. Nor is it untimely to begin thinking about the industrial contribution which Germany can make to Western European (and her own) defense. Likewise the time may soon be ripe to make explicit the responsibility of the free nations of the West for the security of Germany (a responsibility which will progressively merge into cooperation as Germany attains full partnership in the Western concert). But the timetable, however painful to some non-Germans, must decisively exhibit the trend—away from present concept of Ruhr Authority as an agency imposed on Germany (perhaps towards an international authority for control of all Western European coal and steel), away from MSB (and towards full membership in NATO). Thus Germany will begin to resume her logical place in civilized world; and Germans will begin to see promise in a future by the side of Western democracies—as against East.

This course is obviously full of risks. But we have been in Germany a long time now and we must evaluate our problem and its risks realistically. As at the Congress of Vienna we must correct false preoccupation with the fallen giant and direct attention to new threat which again is from East. What we must work towards to this end is a new Europe, united as never before in face of an overwhelming danger. We must treat Germany as an asset and vital to success of any effort to readjust permanently lost European balance.

McCloy

762A.00/5-750 : Telegram

The United States High Commissioner for Germany (McCloy) to the Acting Secretary of State

SECRET

Frankfort, May 7, 1950—10 a. m.

3912. In my interviews with German political leaders I have, both before and after the receipt of Deptel 2779 April 21, adopted with them the line of thought set forth in the final paragraph of this cable. I have tried to impress upon these political leaders the high desirability of rising above purely internal German considerations and the necessity of facing the reality of Germany's position. I have strongly

deplored the idea that the present situation could be used to extract concessions from the west and have urged them to take more positive steps to convince the western world of the solidity and growth of German democracy and liberalism. I have strongly impressed upon them that Germany must also do its part to re-establish western confidence in its people after two aggressive wars. I have specifically recommended that Germans take initiative in hastening the solution of the aftermath of the war and the Hitler regime which are still irritants abroad, such as internal restitution assistance to persecutees, completion of denazification without fraud, resisting tendency to make nationalistic gestures for internal political advantage, etc. I have urged these considerations upon all party leaders with the exception, of course, of the Communists. As I am able to spend more time in Bonn, I shall continue to stress this policy.

With respect to the SPD position, there is some indication that although Schumacher is determined to oppose, he is not altogether happy about his opposition to the Federal Republic entry into the Council of Europe. I am told he is hopeful that London may produce a larger scheme for the organization of Western Europe which will enable him to drop the Saar issue. In any case, we learned that the SPD is already fighting internally over who will be its representatives in the Federal Republic delegation to Strasbourg.

Regarding Federal Republic entry in the Council of Europe, Adenauer told me recently that he intends to put the government's proposal for entry before the Cabinet on May 9. He did not, however, indicate when it would be laid before Parliament and it may well be that he will await the outcome of the London conference. In a lengthy discussion with the Chancellor, I found him in a much less intransigent mood and outwardly at least more willing to respond to arguments designed to explain why Germany must help to create a climate in which greater progress toward European integration can be achieved. I regret, however, to state my impressions that Franco-German relations which are so vital in this connection have not materially improved inside of Germany in spite of what I believe to be the sincere desire of Adenauer to come to a real understanding—a desire which is constantly compromised by his own tendency to hold to a nationalistic line in his speeches. It is also partly the result of the French fear complex and partly the real clash of personalities which seems to have developed between Francois-Poncet and the Chancellor.

Adenauer's disinclination to take advice on foreign affairs and the unimpressive stature of his Cabinet likewise contribute to these difficulties. We had been urging the Chancellor to get his consular service organized and into the field so that the Federal Republic can receive its own reports on the feeling towards Germany in other countries. The Chancellor, we find, is frequently impressed with the reports the

third rate agents who pretend to have intimate contact with this or that leading political personality abroad and whose judgment and reliability are frequently open to question to say the least.

I fully concur with Department's estimate that the present political situation in Germany reflects a lack of understanding of the realities of foreign affairs in general and the east-west situation in particular.

I cannot but feel that Adenauer's attitude as expressed in my recent cables was basically a maneuver to obtain concessions in connection with the entry into the Council though he was impressed by his talk with Schumacher and indeed still is.

When he saw I was unwilling to recommend something in the way of a "gesture" in connection with the European Council, he quickly adapted himself and has now determined to push the matter forward. As for Schumacher, I feel that though he had doubts regarding the possible effect it might have on unification he would have agreed to entry but for the Saar matter. Adenauer feels Schumacher has also a latent idea that he can pull a number of members away from the SED if unification should ensue. I hope to see Schumacher again to judge how deeply his refusal to join the Council really goes. *Le Monde*'s and Lippman's articles and certain English hints as to the wisdom of "neutrality" have been read here and have caused comment but if we act with continuity and good sense in our relations with Germany and there is no defection among the other Western European Powers, I feel there is little doubt that West Germany will act with the West. The situation requires continuous pressure and explanation on the part of the High Commission and decision, or at the least, understandings in the forthcoming London conference to take further steps to impress the Federal Republic with western strength and determination.

Sent Department 3912; repeated London 227; Paris 353.

McCloy

Editorial Note

At the end of April and the beginning of May, the Foreign Ministers of the United States, the United Kingdom, and France and their deputies met in London to discuss the world situation and problems of mutual concern. With regard to Germany, a series of bipartite and tripartite committees and subcommittees were established which reported to the Foreign Ministers. Based on these reports the Foreign Ministers issued a joint declaration on Germany on May 13, which embodied the following four points as the lines of their future policy: 1) an expression of confidence in the progress of the Federal Republic under the influence of the High Commissioners, 2) reaffirmation that Germany should reenter "the community of free peoples of Europe,"

based on the degree of cooperation displayed by the Federal Republic, 3) agreement to set up in London a tripartite study group to review the occupation statute, and 4) a reaffirmation of their intention to allow Germany to develop freely. At the same time the Foreign Ministers reaffirmed their intention to work for the unification of Germany and, endorsing the resolution of the Federal Republic, invited "free all-German elections for a national assembly empowered to frame an all-German constitution." For the texts of the joint declaration and the statement on unification, see MIN/TRI/P/13 Final, May 22, 1950, volume III, page 1089; or the Department of State *Bulletin*, May 22, 1950, page 787, and June 5, 1950, page 885.

762A.00/5–1750 : Telegram

The United States High Commissioner for Germany (McCloy) to the Acting Secretary of State

SECRET PRIORITY FRANKFORT, May 17, 1950—2 p. m.

4233. Following is brief summary report of May 16 meeting between HICOM Council and Chancellor Adenauer,[1] who was accompanied by Economics Minister Erhard, McCloy (US) chairman, Poncet[2] (France), and Robertson (UK).

1. *Review of London FonMins' Conference.*

As chairman, I reviewed subjects dealt with in London, both with respect to general world problems and deliberations affecting Germany. With respect to world problems, I briefly mentioned: balance of strength between Communist and non-Communist world and present efforts to correct disparity of military and economic strength of west; importance of maintaining position in Far East and SE Asia, impasse in UN reached as result of Soviet boycott on issue of recognition of Communist China; organization of defense and finance North Atlantic Treaty machinery; integration of western Europe with stress on Acheson statement that termination of Marshall aid in '52 would not represent terminal date of US interest in Europe; Allied policy re Austria (did not mention civilian high commissioner); appointment of inter-governmental study group to consider problem of migration for relief of over-populated areas (I pointed out that group would be happy to consult FedRep experts this connection); developments in certain undeveloped areas of world, particularly Africa, and part which western Europe including Germany could take in development

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[1] The minutes of the 17th meeting of the Council with Chancellor Adenauer are included in the Bonn Embassy Files, McCloy Project: Lot 311: Box 357: D(50) 1355.

[2] André François-Poncet, French High Commissioner for Germany.

of such areas, as well as UN role in Point IV program; and finally, policies re satellite areas with particular emphasis Yugoslavia.

With respect to Germany, I reviewed FonMins' declaration of May 14 placing particular stress on democratic development in Germany which would provide lasting elements of security and that presence of Allied troops at present time is not so much for suppression or performing usual purposes of occupation as for maintaining defence forces in Germany to protect it from foreign encroachment during period of FedRep development. I reviewed purposes of study group re occupation statute and reducing difficulties arising out of state of war and lack of peace treaty. I indicated study group might also concern itself with prewar obligations of German claims and implementation of Articles 18 and 19 of the Ruhr statute. I indicated FedRep would be consulted in work of study group. I transmitted declaration re Berlin [3] and indicated Benelux agreed to study situation with object of increasing purchases in Berlin and cited proposed activities of Harriman and OEEC to aid Berlin. I transmitted Soviet-held German POW's declaration.[4] I stated FonMins would deliver protest to Soviets re formation and maintenance of para-military organization in east zone which would be delivered in about a week's time.[5] I indicated new law 75 [6] would soon be promulgated as appeal had lapsed. Re Schuman plan, I indicated Monet would present general plan in Germany next week. Poncet added that FedRep would be invited to designate representatives to participate in study group to be established in near future to work out general structure of Schuman proposal. Adenauer stated he reacted rapidly and favorably to Schuman plan as it was same plan he had submitted to Reichstag in 1925 at period when Franco-German relations had reached lowest ebb. He indicated that at that time plan was suggested for political reasons, but now that Africa is to be included, plan takes on great importance for overpopulated western Europe and because it is laying foundation for European integration.

Robertson emphasized that FonMins declaration was straightforward statement meaning what it said, that progressive independence is based on frank cooperation on the part of the Germans. It

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[3] For the text of the Foreign Ministers declaration on Berlin, see vol. III, p. 1091.

[4] For the text of the Foreign Ministers statement on repatriation of German prisoners of war from the Soviet Union, see Department of State *Bulletin*, June 19, 1950, p. 1018.

[5] Regarding the protest by the Western Allies to the Soviet Union on the formation of paramilitary organizations in the Eastern Zone of Germany, see pp. 942 ff.

[6] U.S. Military Government Law No. 75, Reorganization of German Coal and Iron and Steel Industries, November 10, 1948. For the text, see *Germany, 1947–1949: The Story in Documents*, pp. 348 ff. Allied High Commission Law No. 27, May 16, 1950, superseded British and American Military Government Laws No. 75; for the text of new provisions, see Beate Ruhm von Oppen, ed., *Documents on Germany Under Occupation, 1945–1954*, pp. 490 ff. The full text is printed in *High Commission Gazette*, 20 May 1950, p. 299.

should, he hoped, bring to an end era "in which we talk about concessions being made by occupying powers toward Germany."

Adenauer stated he welcomed establishment of study group and that although German press had criticized fact that FedRep was not a member, he believed that it would be embarrassing for FedRep to participate in group "which would be working upon its own occupation statute". In passing Adenauer noted that FonMins' declaration had not found great welcome in US press according to his information (which he admitted was not always reliable). I replied that US press seemed most favorable to Schuman plan and that I had not seen any unfavorable nationwide comment on declaration itself. I believe on reflection he was referring to the reaction in US press to London reports we were about to go to a "council of ambassadors."

In executive session I informed Adenauer that no action was taken concerning his letter re establishment federal police,[7] but that it was recognized that a case was made out for some sort of federal police, though amount and nature was still uncertain. Each of us would appoint an expert to study problem together with his expert. Re security guarantee to FedRep area, I read reply and reviewed orally statement authorized by FonMins.[8] He replied that statement gave him some relief, but expressed uneasiness over alleged military plans calling for defense at particular line, i.e. Rhine. I replied that question of lines was military affair and that we were not in position to discuss such matters with him. I pointed out lines must necessarily vary with strength and situation and that he could be sure that we would always defend the line which we were capable of defending. I pointed out significance of guarantee under NAT extended FedRep.

I also in executive session Adenauer raised question of shipbuilding restrictions, investments and Reich assets and debts. He urged that we come forward with something in these fields before he introduces Council of Europe issue in Bundestag. I stated that HICOM would consider any steps which could be taken to strengthen the economy of Germany and aid its government, but not in relation to council of Europe issue.

Adenauer, although pleased with entire affair, wasn't beyond attempting further bargaining.

2. *Federal law regulating petrol prices.*

See paragraph 7 of HICOG Frankfort 4235 to Department[9] this date reporting HICOM decision based on brief discussion with Adenauer and Erhard.

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[7] For the text of Adenauer's letter, see telegram 205, May 4, from Bonn, p. 684.

[8] For the text of the Foreign Ministers statement on the security of the Federal Republic, see MIN/TRI/P/10 Final, vol. III, p. 1085.

[9] Not printed; it transmitted a summary report of the 28th meeting of the Allied High Commission. Paragraph 7 indicated that Federal law regulating petrol prices had been temporarily suspended. (740.00/5-1750)

Sent Department 4233, repeated priority Paris 380, London 261, Bonn 99, Berlin 323.

McCloy

762A.00/5–2550 : Telegram

The United States High Commissioner for Germany (McCloy) to the United States Commander, Berlin (Taylor)

SECRET NIACT Bonn, May 25, 1950—4 p. m.

121. For Page and General Taylor. Re Department's 46 to Bonn May 24, repeated Frankfort 366, Paris 236, London 2490, Berlin 206.[1]

You are requested prepare and deliver to General Chuikov tonight (25 May) following communication:

"Dear General Chuikov: Throughout the five year period during which our two governments have participated in the occupation of Germany, repeated efforts have been made to effect the political and economic unity of the country. The matter was recently reviewed again by the Foreign Ministers of the United Kingdom, France and the United States at London. Their conclusions on the matter of German unification and the manner in which it might be accomplished are attached.[2] This document has been transmitted to the Chancellor of the German Federal Republic.[3]

You will note that the Ministers agreed that the formation of an all-German Government on the basis of the principles set forth in their statement would prepare the way for a peace settlement with Germany. In this connection you will also have noted that in the public communiqué released by the Ministers on 14 May,[4] it was stated that the Western Powers did not contemplate the conclusion of a separate peace treaty with the Federal Republic; one consideration in the formulation of this conclusion was that the Western Powers believe that a separate peace treaty with one or more zones of occupation connotes acceptance of a concept of a more permanent partition of Germany. The Western Powers do not wish to associate themselves with any such concept.

You will also note that the ministers endorsed the resolution of the Federal Republic under date of 22 March, which invited all-German elections to a National Constituent Assembly under conditions found to be acceptable to my government. A copy of the text of this resolution is attached [5] and I direct your attention especially to paragraph 1

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[1] Not printed; it concurred in the procedure adopted by the Allied Council, to transmit identical letters to General Vasili I. Chuikov, Head of the Soviet Control Commission, setting forth the principles under which the Allies would be prepared to hold elections for an all-German National Constituent Assembly. (762A.00/5–2450)

[2] For the text of the Foreign Ministers statement on German unity, see vol. III, p. 1088.

[3] A copy of the statement was transmitted to Adenauer on May 23. He replied that he was "quite in agreement with its contents" but would "welcome it if a special clause would ensure that voters be protected against reprisals even after the free elections have been held." Telegrams 267 and 270, May 23 and 24, from Bonn, not printed (762A.00/5–2350 and 2450).

[4] For text, see MIN/TRI/P/30, vol. III, p. 1106.

[5] Not printed, but see the editorial note, p. 615.

thereof, which suggests that the four occupation powers should assume the responsibility of framing an electoral law under which all-German elections might be conducted.

My government would be prepared for me to share in the responsibility of framing an electoral law under which all-German elections, pointing toward the formation of an all-German Government [6] under the conditions set forth in the attached statement of the Foreign Ministers, could be held.

Should your government similarly be willing for you to share such responsibility, it is the belief of my government that any discussions on the subject should be based on the following principles: [7]

1. Conversations would initially be undertaken at the level of the four Commissioners for the limited purpose of drafting an electoral law to implement the Federal Republic's proposal of free all-German elections for a National Constituent Assembly. The proposal to limit discussions to the framing of an electoral law proceeds from a belief that it is unrealistic to discuss or arrange the desired peace settlement until it is established that a unified German Government, freely elected, can be brought into being.

2. If agreement is reached on an electoral law, the way would be clear for the drafting by the elected representatives of the German people of a constitution for all Germany, within the framework of the principles set forth in the attached statement of the Foreign Ministers, and for the emergence of an all-German Government.

3. A basis would thus be laid for the establishment of a four power commission which should exercise its reserved powers in such a way as to permit the German Government to function effectively.

I would welcome your views on this subject.

In view of the vital interest of the German people in the unification of their country, I feel it appropriate to make a copy of this letter available to the press and will do so [8] in due course.

Sincerely yours, for the US High Commissioner Maxwell D. Taylor, Major General, USA".[9]

Your instructions are:

1. French have not yet formally cleared this agreed US–UK text. Will telephone later today when French approve and any changes required in text.

2. Delivery should be coordinated with your British and French colleagues.

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[6] In telegram 275, May 25, from Bonn, not printed, a series of changes indicated in footnotes below were transmitted. The revised text reads from this point: "in conformity with the principles set forth in the attached statement of the Foreign Ministers, could be held." (762A.00/5–2550)

[7] This paragraph was revised to read: "Should your government declare its acceptance of these principles and be willing for you to share such responsibility, it is the belief of my government that any discussions on the subject should be conducted via the following basis:"

[8] The revised last phrase of this paragraph reads: "after it has reached you."

[9] The revised text indicates that the letter was signed by McCloy.

3. In event you do not have texts of annexes, you may obtain them from your British colleague. British have previously today wired texts.

4. Signed copies from individual High Commissioners will follow tomorrow (26 May) and should be delivered upon arrival.[10]

5. Text may be released to press at noon tomorrow (26 May).

Sent niact Berlin for Page and General Taylor 121, repeated info niact Department 274, niact Frankfort 303, niact London 94, niact Paris 87.

McCloy

[10] Copies of the letters were delivered to Chuikov during the morning of May 26, and McCloy indicated that the text had been cleared by Bevin and Schuman. (Telegram 4564, May 26, from Frankfort, not printed 762A.00/5–2650.)

Editorial Note

On July 8, President Heuss and Chancellor Adenauer promulgated a law adopted on June 15 by the Bundestag, approving the accession of the Federal Republic of Germany to the Council of Europe. For the English text of the law, and for an account of parliamentary and other actions leading to the approval, see Office of the United States High Commissioner for Germany, *3rd Quarterly Report on Germany, April 1–June 30, 1950* (Washington, Government Printing Office, 1950), pages 1–6, 11–16, and 99. The accession was effective on July 13, and representatives of the Federal Republic of Germany were present when the Consultative Assembly of the Council of Europe convened in Strasbourg, France, on August 7 for its second annual session. For additional details, see *4th Quarterly Report on Germany, July 1–September 30, 1950*, pages 17–20.

611.62/7–2050

Paper Prepared in the Office of the United States High Commissioner for Germany [1]

SECRET

[Frankfort, undated.]

I. Context of a Program for PEPCO

1. PEPCO's program will be concerned with the attainment of United States objectives in Germany by denial of those of the USSR.

[1] The source text was sent as an enclosure to despatch 196, July 20, from Frankfort, not printed (611.62/7–2050), which indicated that it had been prepared early in April by Foreign Service Officer Henry C. Ramsey and later revised. The paper had been approved by McCloy, Taylor, all the members of PEPCO, Edward Page, the Director of the Berlin Element, and George A. Morgan, the Director of the Eastern Element of HICOG in Berlin. In airgram 561, August 25, to Frankfort, not printed, the Department of State *inter alia* expressed its general agreement with the statement of United States and Soviet objectives in Germany and the analysis of Soviet tactics for 1950 as outlined in Part I of the paper. (611.62/7–2050)

The formulation of its program requires a preliminary examination of the objectives of the two powers and the casting of a trial balance of progress made by each toward the attainment of their respective objectives.

A. SOVIET OBJECTIVES IN GERMANY

Vis-à-vis East Germany:

2. (1) The retention of, and the consolidation of the Soviet position in, those former and present German territories now under Soviet occupation.

3. (2) The dislodgment of the Western Powers from West Berlin and the incorporation of Berlin into the GDR, to serve as the "capital of Germany".

4. (3) The "legitimation" of the GDR and its conversion into a diplomatically recognized Government of Germany which will be a Soviet-controlled satellite and a reliable agent for the execution of Soviet objectives vis-à-vis West Germany.

5. (4) The development of East Germany's economic viability, the reduction of its economic dependence on West Germany, and its integration with the Soviet orbit (especially Poland and Czechoslovakia).

Vis-à-vis West Germany:

6. (1) The undermining of the Western orientation of the Federal Republic and the frustrating of the United States objective of leading Western Germany into an integrated Western community.

7. (2) The development of a maximum of advantageous East-West economic and trade relationships, which will profit the Soviet bloc, tend to orient West Germany Eastwards, and permit the USSR to exert political influences on the Federal Republic.

8. (3) Following the detachment of West Germany from the West, the unification of Germany under the auspices and leadership of the GDR.

9. (4) The ultimate absorption of Germany into the Soviet bloc.

B. UNITED STATES OBJECTIVES

Vis-à-vis West Germany:

10. Insofar as the over-all conflict with Soviet strategic objectives is concerned, the U.S. High Commissioner's Policy Directive [2] instructs him to seek to promote the development of the German people to political independence and as responsible and equal members in a free Europe, to strengthen democratic government in Germany, and to encourage "the Germans to take an increasingly active part in the political and economic organization of a free Europe."

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[2] For the text of the United States High Commissioner's policy directive, see *Foreign Relations*, 1949, vol. III, p. 319.

11. Since the unification of Germany cannot now foreseeably be accomplished except (*a*) by dislodging the Soviets through forceful means (which would provoke war) or (*b*) by accepting Soviet terms which would preclude the integration of Germany in a free Europe, United States objectives in Germany must be addressed, for the moment, primarily to West Germany but must continue to include the long-range objective of German unification.

12. (1) West Germany should be considered a basic component of the "situation of strength" which the United States recognizes as necessary to deter Soviet expansionism or to reach a satisfactory coexistence with the Soviet world. West Germany should, therefore, be integrated into a Western European base through the development of conditions which will insure responsible West German adherence to such a base. The Federal Republic must be fully supported and efforts should be undertaken to increase its prestige both in West and East Germany and to return it to the comity of nations as an equal and sovereign partner in the Atlantic community.

13. (2) The portion of Germany now held or controlled by the Soviets (including the Polish-administered territories) should be converted into an irredenta through the association of the Western Powers and the West Germans with the deep-seated desire of the German people to unite their country and ultimately to enjoy the perquisites of an independent power.

14. (3) The development of those conditions which will insure West German adherence to an integrated Western Europe should be accorded priority, since they permit of courses of action within the capabilities of the United States and other North Atlantic powers and can probably be accomplished short of war.

15. (4) The association of the Western Powers with the West Germans in the objective of unifying Germany remains an important coordinate objective vis-à-vis West Germany, however, because it should serve to (*a*) convert West Germany into the positive pole of attraction in respect of German unification, (*b*) enlist the psychological support of the German people against Soviet objectives, (*c*) convince them of the advantages of association with the West, and (*d*) dissuade them that integration with the West connotes a writing-off of the East.

Vis-à-vis East Germany:

16. The Policy Directive issued to the U.S. High Commissioner instructs him, within the limits set by primary concern for the development of the Federal Republic, to do what may be possible to normalize relationships between East and West Germany through quadripartite and German consultations; to join in constructive tripartite efforts toward the unification of Germany on a democratic and federal basis, assisting the Federal Republic toward this end; and to devote par-

500-421—80——42

ticular attention to political and economic developments in Eastern Germany and their impact on the Federal Republic.

17. In respect of Berlin, the U.S. High Commissioner is instructed to encourage its playing "an important role in the development of the Federal Republic of Germany" and to exercise vis-à-vis the West Sectors of Berlin "powers corresponding to (his) powers in the western zones of occupation, and in the United States zone."

18. Translated into terms of the possible, United States objectives vis-à-vis Berlin and East Germany should be:

19. (1) As a minimum, the maintenance of the Western positions and rights in Berlin and the improvement and consolidation thereof through the solution of West Berlin's present economic and social problems.

20. (2) The development of United States policy vis-à-vis East Germany in a manner which will

(*a*) stimulate a maximum of passive resistance to Communist ideology, Soviet propaganda, and the consolidation of totalitarian rule;

(*b*) encourage the belief of the East Germans in the values of Western civilization and political institutions;

(*c*) assist them in overcoming a feeling of defeatism and of the inevitability of a Soviet triumph in Germany;

(*d*) hold up to all Germans the pattern of Soviet encroachments on the liberties and resources of the East Germans;

(*e*) contribute to the deterioration of the Soviet and Communist position in East Germany or, at a minimum, retard the Sovietization of East Germany, and

(*f*) convert East Germany and the Polish-administered territories into the German irredenta and thus foil the present Soviet/National Front strategy of attempting to convert West Germany into an irredenta.

21. (3) Maintenance of a policy of non-recognition of the GDR, except among members of the Soviet bloc, and the frustration of Soviet moves to "legitimate" the GDR vis-à-vis the German people and world opinion.

22. (4) Maintenance of the political and psychological initiative in respect of the unification of Germany, of Berlin and of a peace settlement with Germany.

23. (5) The normalization of relations between East and West Germany toward the ends of maintaining trade and of effecting the unification of Germany on bases acceptable to the Western Powers and to the Federal Republic.

24. (6) The enlisting of the support of the Federal Republic and of West German opinion to United States objectives vis-à-vis East Germany.

25. (7) The anticipation and frustration of moves intended to consolidate the Soviet position in East Germany and to convert the

East Germans into agents who will serve Soviet purposes vis-à-vis West Germany.

C. SOVIET TACTICS (1950)

General Considerations:

26. In pursuance of their German objectives, the Soviets are confronted with a contradiction: In respect of the Sovietization of East Germany, they must not time and execute the process in a manner which will alienate the West Germans and yet they must as promptly as possible achieve a reliable regime which may be entrusted to advance the Soviet campaign against West Germany.

27. In respect of West Germany, the Soviets are unquestionably interested primarily in its dislodgement from Western Europe and, secondarily, in its Sovietization. The general Soviet tactic will be one of utilizing the East Germans as agents to accomplish Soviet purposes in West Germany and of employing all available means to convince the Germans that German-USSR *rapprochement* offers more unique possibilities than the integration of Germany with the free world. Hence, Soviet tactics are now less concerned with the development of Communism in West Germany than with the dissemination of nationalist and geopolitical appeals calculated to orient Eastwards all classes of Germans, to weaken the present political dominance in West Germany of the centrist parties, and to disillusion the Germans with the Western Powers.

28. Similarly, Soviet tactics will be designed to avoid the impression or charge that Germany is an object of Russian expansionism and the East Germans, rather than the Soviets, will thus bear the tactical brunt of executing Soviet maneuvers. In the development of its German policy, it would be a mistake to assume that the Kremlin will not be willing to offer concessions, or some special status, to Germany in an effort to dislodge it from the West, or that the Soviet techniques employed will not reveal a tactical versatility intended to exploit all doubts and differences which internal difficulties and a long period of occupation are developing between the Germans and the Western Powers.*

29. The Soviet campaign to drive a wedge between the West Germans and the West has been intensified since the fall of Nationalist China. The importance of the campaign has been attested to by the references to Germany and to German unification contained in the recent election speeches made by Molotov and other members of the Soviet Politburo.

Definite Tactics:

30. (1) Continuance of present tactical approach to "legitimation" of GDR through unity-list plebiscite on "National Front" program.

*The Foreign Ministers' Conference at London and its announced results have, temporarily at least, inaugurated an era of good-feeling in these respects (16 May 1950). [Footnote in the source text.]

Following this event, Soviets will be in stronger position both politically and psychologically to invest GDR with trusteeship powers for the whole of Germany, to press for wider recognition of the GDR as an all-German government, and to seek to compel the Western Powers and the Federal Republic to deal directly with it. A collateral tactic will be the granting of an increasing measure of "sovereignty" to the GDR, in order to discredit the Occupation Statute and to prepare the way for a separate USSR–GDR peace treaty.

31. (2) Continued remilitarization of the East Germans (including the formation of military units from the Alert Police and youth). Such serves the strategic ends of (*a*) creating East German forces sufficiently reliable to permit a withdrawal of Soviet occupation forces, and (*b*) forming cadres for future German armed forces capable of intimidating the West Germans, contributing to their feeling of insecurity, and possibly conquering them through civil war.

32. (3) The organization of threats to the position of the Western Powers in West Berlin and the use of economic and financial measures intended to gain ascendancy over West Berlin by a process of attrition. The political and psychological advantages of the Soviets' dislodging the Western Powers from Berlin are evident. The "creeping blockade" forms a part of this tactic and events such as the *Deutschlandtreffen* are a tactical preview of Soviet plans to capture West Berlin and West Germany through the use of Germans, rather than Russians.[3]

33. (4) Utilization of the "National Front" and associated fronts and mass organizations to divert attention from Soviet-SED methods in East Germany, to appeal to German nationalism, to enlist German political and economic support for the professed policies of the USSR, and to exploit difficulties between the West Germans and the Western Occupation Powers. The "National Front" appears now to be the Kremlin's principal politico-economic instrument in use vis-à-vis West Germany and efforts will be made to extend its organization and appeal throughout West Germany. A "National Front" Congress may be held in West Germany in support of this tactic.

34. (5) The infiltration of Soviet agents into West Germany and the manipulation of the KPD as a hard-core activist GHQ for the execution of subversive activities and incitements to mass violence. Part of this tactic will be continued liaison with nationalist and industrial groups who are more attracted to the East than to the West and who serve Soviet ends by creating doubts of whether the West Germans should break with the Soviet world.

35. (6) Efforts to increase the volume of inter-zonal and East-West trade, to the net strategic advantage of the Soviet bloc.

36. (7) Attempt to maintain the initiative on the matter of German unification and a peace settlement with Germany.

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[3] For documentation on the *Deutschlandtreffen*, see pp. 818 ff.

Possible tactics:

37. (1) Conclusion of separate peace treaty with the GDR. In the consideration of this tactic, the Kremlin must weigh psychological and propagandistic advantages against the disadvantages of (a) closing the door tighter against a quadripartite solution on the German problem and thus sacrificing a measure of flexibility of foreign policy, (b) finalizing the Oder-Neisse boundary through bilateral action, and (c) entering into a probable commitment to withdraw occupation troops.

38. (2) The withdrawal of Soviet occupation troops. Such would probably be related to the conclusion of a separate peace treaty and, as provided in the Warsaw Declaration of 1948,[4] would most probably occur after finalization of the treaty. The timing of the withdrawal will depend on the Kremlin's assessment of the reliability of the GDR and of remilitarized East German forces. It is, nevertheless possible that the Soviets may offer to withdraw their forces, or actually withdraw them, in order to attain a propaganda coup in connection with a counter-proposal to hold free all-German elections if all occupation forces in Germany are withdrawn as a condition thereto.

39. (3) Conclusion of a pact of mutual assistance and cooperation with the GDR, along the lines of similar pacts now in force between the USSR and its Eastern European satellites. Such would have the effect of welding the GDR to the Soviet bloc and of accentuating the partition of Germany: its disadvantages would seem to be that it might accelerate the integration of West Germany in the Western bloc and, possibly, the NAT community.

40. (4) Proposal of all-Berlin elections on the condition that all occupation troops be withdrawn. Such would be tantamount to surrendering Berlin to the Soviets and could not be accepted by the Western Powers.†

41. (5) Proposal of an all-German plebiscite on the "National Front" platform (repeal of the Occupation, Ruhr and Military Security Statutes; abrogation of the Petersburg Protocol; plebiscite in the Saar; removal of restrictions on interzonal and East-West trade and on West Germany economy; unification of Germany and conclusion of a peace settlement). If made, such proposal might, for greater propaganda effect, be linked with a Soviet offer to withdraw occupation forces.

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[4] For the text of the Warsaw declaration of the Foreign Ministers of the Soviet Union, Albania, Bulgaria, Czechoslovakia, Hungary, Poland, Romania, and Yugoslavia, dated June 24, 1948, see Beate Ruhm von Oppen, ed., *Documents on Germany Under Occupation, 1945–1954*, (London, Oxford University Press, 1955), pp. 300 ff.

† Such was actually proposed by authority of the Soviet Control Commission under date of 8 May 1950 and rejected by the West Berlin City Assembly and the Western Commandants under the dates, respectively, of 1 June and 10 June 50. [Footnote in the source text. For further documentation on all-Berlin elections, see pp. 818 ff.]

42. (6) Imposition of a blockade of Berlin by the GDR, following the East German elections scheduled for October, with the East Germans, rather than the Soviets, enforcing the blockade. Among others, such would raise the problem of the Western Powers' negotiating directly with the GDR and the corollary of *de jure* recognition of the GDR.

43. (7) Proposal for discussion of the German problem in the CFM or some other quadripartite forum. If the West succeeds in wresting the initiative in Germany from the Soviets, such a tactical maneuver would afford the Soviets a propaganda forum and an opportunity to buy time and to test the unity and resolution of the Western Powers vis-à-vis Germany.

44. (8) Alteration of Oder-Neisse border in favor of the GDR. Such seems unlikely at this juncture and constitutes a trump card which the Soviets can use only once and will perhaps play only when it is thought that it will prove decisive to the Kremlin's over-all objectives in Germany. Meanwhile, the veiled suggestion that *rapprochement* between the USSR and Germany may lead to a fifth partition of Poland serves to entice those Germans who feel German interests will be served best by reaching a settlement with the USSR.

D. A TRIAL BALANCE

45. The basic objectives of the USSR and of the United States vis-à-vis Germany are mutually exclusive and there are no indications that they can be reconciled or that the Soviets feel confronted with such a situation of fact as to require an equitable quadripartite solution of the German problem. Basically, the Soviets intend to integrate East Germany in the orbit and thereafter to utilize it as a base for maneuvers against West Germany designed to effect German unification on Russian terms. The United States is basically engaged in a similar strategy vis-à-vis East Germany but suffers the fundamental handicap of not being able to exert a full measure of influence on the East Germans because of the nature of the technique of Sovietization and the Soviets' employment of naked power to attain and consolidate their objectives. In seeking to cast a trial balance at this time, perhaps the most pertinent observation possible is that the ultimate tipping of the scales will depend on the deployment of power in sharper focus than either antagonist has thus far brought to bear on the German scene. For the Soviets, despite the advantages deriving from their employment of totalitarian techniques, have not won the battle for the German mind. The United States has made progress, the German remains predominantly anti-Communist, and the development of Soviet policy in recent months has unquestionably tended to disenchant the East Germans further and to narrow the points of friction between the West Germans and the Western Powers.

46. Nevertheless, if the situation is assessed in the light of the present power factors at play, it must perhaps be admitted that the Soviets are in a more advantageous position to influence developments, and to frustrate our objectives in West Germany, than we are in relation to East Germany. The Soviets have made our retention of Berlin expensive and awkward; they have made some psychological inroads on the West German mind and have implanted therein some doubt and uncertainty in respect of Germany's future as a Western buffer to the Soviet world; they retain the initiative in respect of inter-zonal trade, of Berlin, and of Germany's geopolitical destiny, each of which exerts a strong attraction to the German mind; they are *perhaps* concentrating more effectively on indoctrination of the youth; they are making some progress in overcoming the Russophobia of the adult Germans because, in contrast to the West, they are developing an impression of strength, resoluteness of purpose, political sophistication and inevitability of victory; and they enjoy large advantages in proceeding with the remilitarization of the East Germans and in being able with relative impunity to engage in subversive activities in West Germany. Developments in Korea, unless favorable to the United States, will certainly redound to the disadvantage of the Western Powers in Germany. Meanwhile, the inability to date of the Federal Republic and of the Western Powers to master those West German problems which permit the Soviets opportunities for exploitation tend to discourage the Germans from committing themselves psychologically, economically and politically to the West in the unequivocal manner contemplated in United States policy.

47. The situation must be judged to be serious when viewed in the light of (a) the Soviet timetable, which may be accellerated by developments in Korea, (b) the point of diminishing returns which will soon be reached through continuation of a strict occupation, and (c) the inadvisability, if not impossibility, of a form of occupation intended to remake the Germans in our own image.

E. THE CONTEXT OF A PROGRAM FOR PEPCO

48. The attainment of United States objectives in Germany, by denying those of the Soviet Union, requires the attainment of our objectives in West Germany and the planning and institution of counter-measures designed to (a) contain the Soviets more firmly in their own zone, (b) safeguard the Western position in Berlin, (c) retard the Sovietization of East Germany, and (d) anticipate and frustrate Soviet moves directed at West Germany. The two activities are interrelated and must be closely coordinated for maximum effectiveness. PEPCO's program is primarily concerned with the latter activity but cannot be disassociated from the former, which forms the context in which its program must be developed.

49. It would seem that in the development of the initiative in Germany, the assumptions underlying our policy and operations should include these: ‡

50. (1) The present state of affairs is unsatisfactory. We appear to be on the defensive and the Germans are becoming restive, uncertain of the future, and apprehensive of the determination and ability of the Western Powers to contain the Soviet Union. The situation will not be corrected as long as we remain on the defensive.

51. (2) We, the Soviets, and the West Germans recognize that West Germany is now the vital factor in the European balance of power.

52. (3) The West Germans cannot, in the interests of our national security, remain sole arbiters of their destiny. They must, therefore, be integrated in a Western community or an Atlantic community. The only other alternative is to abandon West Germany to the USSR.

53. (4) The rate of progress toward integrating West Germany and Western Europe is too slow in view of (a) Russian pressures and (b) the necessity of correcting the present situation while we remain in Germany as an effective occupation power. The task is harder by reason of the security psychosis engendered by the specter of a revitalized Germany, the lack of a sense of urgency and unity of purpose among the Western Powers, and the fact that the approach to European integration has been primarily economic, rather than political (including politico-military). Failure to correct the situation encourages the Germans to exploit the differences between the Allies and to play off East against West.

54. (5) The frustration of Soviet objectives vis-à-vis West Germany depends on the development of our policy in a manner which will persuade the Germans that integration with the West will afford them ample outlets for their energies, ambitions, and production, as well as protection from Soviet encroachments. This will require our obtaining a wider acceptance among Germans of the values and benefits of their breaking with the East. Such can only be achieved through mutual interest and confidence.

55. (6) The required reorientation probably cannot be accomplished unless, under the leadership of the United States, the West Germans are convinced of the West's ability and determination (a) to defend them against the Russians, (b) to see them through their economic and social problems, (c) to assist them in the reunification of their country, and (d) to treat them as responsible equals.

56. (7) The frustration of Soviet objectives vis-à-vis East Germany will perhaps best be accomplished through the creation of a situation of fact which confronts the Soviets with a politically and economically

‡ It would now appear that the Conference of Foreign Ministers at London laid the basis for removal of many of the fears enumerated in these assumptions, but the problems remain basic pending their solution through implementation of the London pronouncements. [Footnote in the source text.]

viable Federal Republic, Western-oriented, and capable of exerting stronger attractions to the East Germans than the GDR is capable of exerting contrary-wise. In the attainment of this situation of fact, the United States would achieve its major objectives vis-à-vis West Germany and the elimination of those conditions in West Germany, principally economic and social, which offer opportunities for Soviet exploitation.

57. (8) The rate of progress toward creating this situation of fact has been too slow for the same reasons cited in paragraph 53, above.

58. (9) We cannot hope to retard the Sovietization of East Germany if we lose the psychological support of the West Germans.

59. (10) The institution of steps to overcome the doubts of the West Germans, and to win a greater measure of their psychological support, is necessary to lead West Germany into a Western community of nations and to frustrate over-all Soviet objectives in Germany.

60. (11) The initiation of steps intended to rectify the situation, accelerate Germany's adherence to the West, and form the basis for frustrating Soviet objectives in East Germany must be performed on a tripartite basis and will require the assumption of substantial risks as well as considerable financial aid in addition to that now envisaged.

61. (12) Our long-range interests will best be served by now recognizing that we could not negotiate with the USSR an acceptable German peace treaty. This suggests that in attaining our objectives in Germany we should not be deterred from taking steps which may delay or preclude quadripartite consideration of the German problem.

[Here follow parts II–IV dealing with PEPCO's terms of reference, the outline of its program, and suggested modes of implementation.]

762A.00/8–2150

Memorandum of Conversation, by the Secretary of State

SECRET WASHINGTON, August 21, 1950.

MEMORANDUM OF CONVERSATION WITH THE PRESIDENT

ITEM NO. 1. TERMINATION OF STATE OF WAR WITH GERMANY [1]

I said to the President that Mr. Webb had gained the impression that the President had some reservations about the wisdom of terminating the state of war with Germany, and that it would be very helpful to us to learn just what it was the President had in mind.

I explained that the present status of the matter was that a study group made up of British, French and US representatives was at work analyzing the difficulties which were created by the continuance of

[1] Also discussed was the military defense assistance program.

the state of war and the consequences of terminating it.[2] I explained that we thought it probably impossible to have a treaty of peace with Western Germany, without raising very serious questions having to do with the division of Germany and the attitude of the Russians.

On the other hand, and in order to try to integrate Western Germany with the Western world, it seemed essential to get rid of the disabilities which the continuance of the state of war placed upon Germany and the Germans—questions of German property, claims against Germany, business done by German firms, suits in courts—all of these things made it almost impossible to establish normal, friendly, and helpful relations.

The President said that what he wished to be sure about is that we all know where we are going in this study and in the action which might be taken in regard to it. There had been so much talk about re-arming Germany, which he thought quite impossible aside from the creation of an European Defense Force, that he did not want us to be starting on courses which we had not thought through. My explanation had reassured him, and he did not wish us to stop our work, but merely to be sure where each step might be taking us.

[2] For documentation on the work of the Intergovernmental Study Group on Germany, see pp. 737 ff.

611.62/8–2350 : Airgram

The Secretary of State to the United States High Commissioner for Germany (McCloy), at Frankfort[1]

SECRET WASHINGTON, August 23, 1950.

A–529. PEPCO. In considering the PEPCO program (on which comments being sent separately),[2] the Department has been giving thought to the subject of retaliatory action in Germany against Soviet violation of agreements. In general Western interests suffer because our retaliation is taken only after long debate and delay, is often poorly enforced and is usually too inflexible to meet Soviet pinprick tactics. Yet prompt and effective retaliation against these pinpricks is important because without reply they create psychological and sometimes economic harm out of all proportion to the intrinsic damage done. They make us look weak and ineffective in contrast to the bold, strong and alert Soviets.

The Western Allied control apparatus in Germany, mainly because it is tripartite, is probably incapable of taking most of the direct actions called for to meet Soviet methods and will diminish in capa-

[1] Repeated to Berlin for Morgan.

[2] Regarding the PEPCO program and the Department of State reaction to it, see the Paper prepared in the Office of the U.S. High Commissioner, p. 643.

bility as the national elements become smaller in size and withdraw more and more from direct operation. Therefore it becomes increasingly important to bring the Germans into the picture and to get their active and whole-hearted cooperation. Necessary action in the trade field will be discussed in a separate communication. Such action has the difficulty that it harms important groups of West German citizens and in other ways meets political resistance. (It is nonetheless vitally important that action in the trade field be taken.) However, the Department believes that there are many fields and many ways in which the Federal Republic, *Land* and local governments might be willing and able to take flexible retaliatory measures by administrative action with minimum publicity, where the only persons hurt would be Communists and other Soviet stooges. It is believed that the Germans should be encouraged to do this and that a distinction can properly be made between the domestic sphere, where strict adherence to the rule of law must be maintained, and the field of relations with the Soviet orbit including the Soviet Zone, where less gentility and consistency are required. Of course great delicacy would be necessary in presenting such a distinction to the Germans.

Two specific fields occur to the Department in which this type of action would seem now to be profitable and feasible:

1. *Interzonal passes.* As the Department understands, the Soviets have long since ceased to honor Control Council Directive 43 of October 29, 1946, and Directive 49 of April 23, 1947, on one-trip interzonal passes, and require a permit from place to be visited as an additional prerequisite for any travel from Western Germany. Travel to the Soviet Zone by democratic West German or West Berlin leaders has of course been out of the question for years. There seems to be no further reason why Soviet Zone leaders and agents should any longer be permitted to travel freely in Western Germany on interzonal permits issued by the Soviets. Therefore the Department believes you might work out with HICOM and the appropriate German authorities an arrangement either requiring some kind of West German written approval for travel from the Soviet Zone and the Soviet Berlin Sector to Western Germany or setting up a list of persons whose entry is barred. It should be agreed that entry would be denied Soviet Zone Communist leaders and known Soviet agents.

The practical working out of either system might be difficult if the volume of traffic across the border is large. Ordinary persons traveling for family reasons or on legitimate business should of course be allowed entry. The danger is that if persons politically important to the Soviets are kept out, the Soviets will retaliate by barring the travel of innocent people both Westward and Eastward. The Department believes that this risk must be taken. However, it would be important that whatever system is adopted be in operation well before the Chrismas season, so that people can adjust to it and not blame the Western Allies for causing a stoppage of traditional Christmas visits. A list of debarred persons given to the border police would be an easier system to operate than a system of prior approval, but would have the disadvantage that entrance across the "green border" would not

be a punishable offense. Possibly the prior approval system could be implemented with wide decentralization, distribution of black lists and requirement that the applicant be vouched for by a reliable local resident. You might develop a better system which would minimize these disadvantages. The Department urges that you give serious thought to this problem.

2. *Interzonal mail.* Apart from retaliatory action in the general trade field it would appear advisable, in the light such reports as Berlin's telegram 267, August 12, to Frankfort, repeated to the Department as 226,[3] to take special measures against interference with the mail between Berlin and West Germany. The Department suggests the following idea for your discussion with the British, French and West Germans: Issuance of a standing secret order that whenever there is interference with the mails between Berlin and West Germany, mail from the Soviet Zone and Soviet Sector to Western Germany should be inspected and material from the SED and its front organizations or addressed to the KPD and its front organizations or leaders should be removed. Such mail should then be delayed, confiscated or lost as occasion warrants. Orders covering similar material should simultaneously go to the border police. Since the Soviet interference is now principally concerned with parcels, our retaliation should probably be initially confined to parcels also.

It is important that retaliatory action in these and other fields should be rapid, flexible, clearly noticeable as retaliation and open to a minimum number of evil consequences for innocent bystanders. These objectives can be achieved, the Department believes, if the Allies and Germans who devise and implement the measures work in harmony and all understand the basic idea behind their actions.[4]

ACHESON

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[3] Not printed; it reported that after a week's hiatus mail parcels were again being impounded by the *Volkspolizei* under supervision of Soviet officers (962.10/8–1250).

[4] In telegram 2835, October 4, from Frankfort, not printed, PEPCO indicated that it had instructed the United States member of the working party on travel control to propose tripartite agreement on a variety of travel restrictions, coordination with the Federal police, and enactment of legislation in the British and French zones for the arrest and punishment for illegal border crossings. All these controls, it was stated, could have been unilaterally put into effect in the U.S. zone, but that would probably have only diverted such traffic to the less strictly controlled British zone border with the Soviet zone. (862.181/10–450) On November 30, McCloy reported that with minor amendments this program was approved by the working party for tripartite discussions with German authorities. These discussions evoked a "uniformly favorable" German reaction and the matter had been referred to the Chancellery for the formulation of the Federal Republic's position. Telegram 4540, November 30, from Frankfort, not printed (862.181/11–3050).

Editorial Note

The Foreign Ministers of the United States, the United Kingdom, and France met again in New York, September 12–18, to consider

problems of mutual concern. The question of Germany figured prominently in their discussions, which dealt with German unity, termination of the state of war, the status of Berlin, and the extension of further authority to the Federal Government as indicated in the report of the Intergovernmental Study Group. For the text of that report, the communiqué on Germany, and documentation on the proceedings of the Foreign Ministers meetings, see volume III, pages 1248, 1296, and 1108 ff., respectively.

762A.00/9–2450 : Telegram

The United States High Commissioner for Germany (McCloy) to the Acting Secretary of State

SECRET

BONN, September 24, 1950—10 a. m.

165. Following is brief summary report of meeting between HICOM Council and Chancellor Adenauer held Bonn–Petersberg 23 September, Poncet (French) Chairman, Kirkpatrick[1] (UK), McCloy (US).[2]

1. *Transmission of Foreign Ministers decisions.*

Poncet opened meeting with long explanatory statement of Foreign Ministers decisions. Text of this statement (being airpouched Department separately) was handed to Chancellor together with texts of (*a*) two undertakings to be given by Federal Republic before authorized relaxation can take effect, (*b*) formula and interpretive minute on legal status of Federal Republic, (*c*) Foreign Ministers decision on German mobile police force.[3] To his prepared statement, Poncet advised verbally that 3 Allied powers would consider an attack from the *Ostpolizei* as implicating the Soviet Union even though latter should try to appear not to associate itself with such an attack. With reference to proposal for establishment of joint Allied–Federal Republic committees to consider problem of termination of state of war, claims, security police and drafting of comprehensive agreement on HICOM relaxation of controls and commitments to be made by Federal Republic, Poncet also suggested Chancellor appoint single high level Federal Republic official to coordinate negotiations of these committees and expedite transfer of powers to Federal Republic.

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[1] Sir Ivone A. Kirkpatrick had been appointed British High Commissioner for Germany on June 24.

[2] The minutes of this 20th meeting of the Allied Council with Chancellor Adenauer are found in the Bonn Embassy Files, McCloy Project : Lot 311 : Box 359 : D (50)2216.

[3] The text of François-Poncet's statement, not printed, was attached to the minutes of the 20th meeting; regarding the four other documents under reference here, see vol. III, pp. 1286 ff.

At conclusion Poncet's statement, Kirkpatrick said his Minister wished him to transmit to Chancellor view that these decisions marked important new step in relations between Allied powers and Federal Republic and that it was up to men of good will on both sides to make effort needed for advancement along lines laid down by Foreign Ministers. I then said though NY meeting had been much occupied with discussion military matters, chief aim these meetings was to find formula for maintaining peaceful and free Europe and there was complete absence of any aggressive thought or intention. Foreign Ministers decisions had been taken not only to strengthen and secure Western Germany against attack, but also with aim of advancing unity of Germany. With reference to increase of Allied forces in Germany, I said it would be understood that at present moment it could not be known with exactitude what additional forces US would be able to station in Western Germany but that this additional strength would probably be more substantial than that already indicated. I next pointed out that conclusions reached on security matters reflected views not only of Ministers of Occupying Powers, but also of NAT Ministers who represented most important part of countries of world.

In his reply Chancellor welcomed Poncet's statement which he said enhanced importance of Foreign Ministers communiqué and said that Foreign Ministers decisions went beyond his expectations in meeting Federal Republic wishes. While he was not prepared to touch on all points arising in Foreign Ministers decisions until they had been studied by Federal Republic Ministries, he expressed (*a*) particular satisfaction over security assurances and said they, together with US Korean successes, have greatly increased German people's sense of security; (*b*) willingness to proceed with organization security police on *laender* basis; (*c*) agreement to necessity for immediate reorganization of existing police; (*d*) satisfaction with proposal to create joint Federal Republic–HICOM committees and agreement to appoint Federal Republic coordinator of negotiations.[4]

[Here follows discussion of the liquidation of Schedule A enterprises, arming and housing of the Federal police, and a report on the decisions taken by the Council on barge traffic and the Berlin police.]

Sent Department 165, repeated Frankfort 185, Berlin 74, Paris 29, London 32.

McCloy

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[4] In a series of earlier telegrams McCloy had reported the very favorable initial reaction to the Ministers communiqué among most German political leaders (762A.00/9–2050 ff).

762.00/9–2750 : Telegram

The United States High Commissioner for Germany (McCloy) to the United States Liaison and Political Reporting Division, at Bonn

SECRET NIACT FRANKFORT, September 27, 1950—6 p. m.

49. From PEPCO. Re Bonn's 190 September 26, repeated Department 169, Berlin 75,[1] we note Chancellery will forward to HICOM Bundestag resolution of September 14,[2] paragraph 2 of which asks that occupation powers arrange for free all-German elections, with request that HICOM forward resolution to Soviet Control Commission (Frankfort's 2447 to Department 20, sent Berlin 158, repeated Bonn 46 [3]).

We feel that most advantageous course of action would be following, timed perhaps for end of next week (October 7–9):

1. HICOM to acknowledge resolution, endorse it and issue strong protest, within context FM statement on subject, against Soviet Zone elections, emphasizing that elections will not be recognized as representative of will of East Germans, as democratic, or as capable of "legitimating" GDR.

2. HICOM to forward text of resolution to SCC through General Chuikov, in much same manner as Bundestag resolution of March 22 was transmitted under cover of individual HICOG letters of May 26 to Chuikov, and again express willingness to participate in conduct of all-German elections within the intendment of Bundestag resolutions of March 22 and September 14. HICOM protest (paragraph 1 above) might well be embodied in letter to Chuikov forwarding resolution.

3. West Germans construe reference to all-German elections as propagandistic only (because timed for eve of Soviet Zone elections), stress of HICOM statement should be on protesting non-representative nature of elections and transition to renewal of offer of all-German elections could perhaps be made by statement that Soviet Zone elections were not type of free all-German elections envisaged in Bundestag resolutions, or in Allied offer of May 26, as required to pave way for unification of Germany.

Please discuss this outline of action with British, French and Germans and report reactions soonest.[4]

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[1] Not printed; it reported that the Ministry for All-German Affairs had asked for the forwarding of a Bundestag resolution to the Allied Council with the request for its transmittal to the Soviet Control Commission (762A.00/9–2650).

[2] For the full text of the resolution and a statement, read by Chancellor Adenauer previous to its adoption, concerning all-German elections and the October 15 East Zone elections, see *Documents on German Unity* (Frankfort, Office of the U.S. High Commissioner for Germany, 1951), pp. 153–155.

[3] Not printed; in it Hays asked PEPCO for its estimate of the Soviet line calling for all-Berlin elections. Was it directed at the new constitution or West Berlin elections, or might it extend to acceptance of the Allied offer for all-German elections? (762.00/9–2050)

[4] In telegram 194, September 28, to Frankfort, not printed, the Liaison Division at Bonn reported that the British and French officials agreed to recommend to their superiors that any communication from the Federal Government be forwarded to the United Nations and to Chuikov (762.00/9–2850).

We assume former French reluctance to follow up on HICOG letters of May 26 to Chuikov should have been overcome by FM statement on "staged" nature of Soviet Zone elections and reaffirmation of principle that free all-German elections could point way toward German unification. Any fear that renewal such offer might accelerate possible Soviet campaign for high level or CFM talks (c.f. recent Malik statement on subject [5]) could, we think, be overcome by suggestion within HICOM statement that if Soviets sincere in effort reunite Germany they will call off October 15 elections and arrange for free and democratic elections of type FedRep and Allies propose. Such would obviously make offer impossible of acceptance before Soviet Zone elections and, after the event, we would be in no worse position than now to discuss merits of talks with Soviets.

Inform British and French that recent advices from reliable Soviet Zone sources confirm that HICOG letters of May 26 on all-German elections made profound impression in Soviet Zone, that sources believe reiteration of offer would constitute one of most encouraging moves FedRep and Allies could make on eve Soviet Zone elections, and that renewal offer would be considered by East Germans as an earnest of sincerity West Germans to work for unification of Germany.

Sent Bonn 49, repeated information Department 2624, Paris 215, London 193, Berlin 176. [PEPCO.]

McCloy

[5] Presumably a reference to the statement by Jacob A. Malik, Soviet Deputy Foreign Minister and Representative to the United Nations, on September 25, in response to a series of questions by the Maryland Committee for Peace, that he favored a meeting between the United States and the Soviet Union to negotiate a settlement of differences in the interest of peace.

762.00/10–150 : Telgram

The United States High Commissioner for Germany (McCloy) to the Acting Secretary of State

SECRET NIACT Frankfort, October 1, 1950—8 p. m.

2722. PEPCO. Re Deptel 2476, September 29, repeated Berlin 116.[1]

Transmitted herein is proposed text letters to Chuikov by individual HICOG's. In interest time and in hope all clearances can be obtained to allow releases October 6 (in order make important West German Saturday issues and Berlin Sunday press and permit solid week of

[1] Not printed; it reported that the Department of State was inclined to favor the course of action outlined in paragraphs 1–3 of telegram 2624 (same as telegram 49, *supra*), but was concerned that the letter of transmittal to Chuikov "be phrased in such manner that its sense will not appear to conflict with recent FM decisions, thus giving Germans impression we are trying ride off in two directions simultaneously." (762.00/9–2750)

plugging which deemed especially important if way found to encourage East Germans to register opposition to Soviet Zone elections). Hope Department can approve by morning October 4, that Bonn liaison can arrange for British and French similarly seek clearances, and that Embassies Paris, London and Moscow can initiate talks soonest under this time table.

Realize somewhat premature to draft proposed text in view nonreceipt FedRep letter of transmission (scheduled for October 2), but are proceeding on assumption that (*a*) transmittal of Bundestag resolution to SCC will be requested as reported by Bonn and (*b*) FedRep request to transmit resolution to UN need not at this stage be involved in our letters to Chuikov (in fact we think it best not to mention or raise UN issue in letter to Chuikov and, assuming we find it possible comply with French and UK desires to forward resolution to UN, believe it preferable to do so somewhat later in order that UN can consider elections in light of event rather than indulge in polemics before elections. Hence, suggest that Bonn liaison inform French and British, as well as Germans, that we view issues as separate but will be prepared discuss matter in package later in week if they will seek clearances on letters to Chuikov and be prepared talk on October 4 or 5).

In event Bonn and Frankfort despatches forwarding Bundestag's resolution and Chancellor's statement not as yet available in Department, next numbered telegram (2723 [2]) transmits texts of both.

Believe proposed text, through somewhat longer than we had originally anticipated, hits most important psychological points which should be made at this time without necessarily reopening offer to discuss all-German elections with SCC. Perhaps few preliminary observations appropriate.

We think it important and desirable to introduce Chancellor's statement. Similarly, we think it most important carry forward point that FedRep only German government entitled to speak for Germany: This intended beat Soviets to punch in event, following elections, they seek through peace treaty or otherwise to convert GDR into spokesman for German people. This point when coupled with our anti-separate peace language in letter of May 25, goes far in cutting ground from under Soviets on separate peace and all-German character of GDR following "legitimation" by elections. Reference to Hitler dictatorship, interjected in belief comparison Soviets with Hitler strikes psychological chord with Germans and hits Soviets in sensitive spot. We think it very important emphasize point that elections will contribute to more definite partition of Germany.

Following is text of proposed letters.

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[2] Not printed.

"At the request of the government of the German FedRep, I transmit herewith the German text of a resolution of the Bundestag which was adopted September 14, 1950, by all political parties represented therein except the KPD (Communist Party of West Germany).

The resolution represents the preponderant will of the Bundestag and of the FedRep which, as you will have learned from the communiqué issued by the Foreign Ministers of the UK, France and the US at New York City on September 19, 1950, is considered by my government, pending the unification of Germany, as the only German government freely and legitimately constituted and, therefore, entitled to speak for Germany or to represent the German people in international affairs.

Since its promulgation, the resolution has been extensively endorsed by the free German press and radio as representative of the will of the German people in respect of developments in the Soviet Zone of occupation in Germany. I commend it to the attention of you and of your government as a serious pronouncement by the German people in respect of grave matters affecting their future and that of their country.

The resolution should be considered in the context of the Federal Chancellor's declaration, made on behalf of the Federal Government, on September 14 in connection with the promulgation of the resolution. The declaration reads:

(Statement transmitted in our telegram 2723).

As in the case of the resolution, there is no question but what the Chancellor's declaration voices the predominant attitude of the whole of the German people, including those now living in the Soviet Zone.

In transmitting these documents to you, I wish to inform you that they reflect the views of my government. In this connection, you will have noted that the Foreign Ministers, in their communiqué of September 19 under reference, noted that the Soviet Union continued to ignore proposals for democratic all-German elections (of the type proposed in my letter to you under date of May 25, 1950, as yet unanswered by you) and that the 'elections' now scheduled in the Soviet Zone for October 15 must be designated as both staged and controlled.

I must now further inform you that if these 'elections' are conducted in the manner which all information now available indicates they will be, they will deny to East Germany the high principle of democratic parliamentary government and ignore the democratic processes under which German unification might become a reality, both of which are objectives to which the Soviet Union is committed under the Potsdam and other international agreements and for the breaching of which the Soviet Union must bear full responsibility. The [procedures] under which these 'elections' will be held, which prevent the East German electorate from finding it possible to make many choices between opposing policies and candidates, need only be contrasted with the traditional requisites of free democratic elections as enunciated in my letter of May 25, to establish why neither my government, nor the FedRep, nor the German people can recognize them for any more than what they are; a devise to perpetuate in power, under the semblance of legality and legitimacy, a small and unpopular minor-

ity dominated by the Soviet Union. The free world will similarly view these 'elections' for what they are: a procedure which is reminiscent of the notorious and rejected plebiscite and voting techniques once enforced by the Hitler regime and now characteristic of all authoritarian regimes which fear to trust to the free choice of the people.

Under the circumstances, my government cannot recognize these 'elections' as capable of conferring on the East German regime either legitimacy or any rightful capacity to represent the German people now living in East Germany.

On behalf of my government, I, therefore, emphatically protest the 'elections' now scheduled for October 15 in the Soviet Zone, and the results they are intended to accomplish, because they will be neither free nor democratic, because they are in violation of international agreements applicable to the development of democratic institutions in Germany, and because they are certain to contribute to an even more definitive partition of Germany.

Because of the obvious interest of the German people in the subject matter of this communication, I shall make a copy of it available to the press following its receipt by you."

Bonn for Liaison Office, Berlin for Reber, Stone, Lightner, to be delivered 08:30 a. m., October 2, 1950.

Department pass Moscow. Sent niact Department 2722, niact Bonn 53, niact Berlin 186; repeated info Paris 222, London 199, Moscow 32.

McCloy

762A.00/10–350: Telegram

The United States High Commissioner for Germany (McCloy) to the Acting Secretary of State

SECRET NIACT Frankfort, October 3, 1950—7 p. m.

2791. For Byroade. PEPCO. Inasmuch as Adenauer letter (Bonn's 183 October 2 repeated Frankfort 206, Paris 35, London 38, Moscow 5 [1]) de-emphasizes Bundestag resolution on which proposed letter to Chuikov transmitted mytel 2722 October 1 (repeated Bonn 53, Berlin 186, Paris 222, London 199, Moscow 32) was based, and specifically requests that Federal Republic conditions for all-German elections be forwarded to SCC via Chuikov, I think Department will agree that we must comply in manner which will not involve US in renewal offer to negotiate with SCC and, preferably, soonest and if possible before Soviet Zone elections.

Accordingly, following text proposed in substitution former draft and Bonn Liaison requested pass it to British and French with request

[1] Not printed; for the text of Adenauer's letter, see *Documents on German Unity* (Frankfort, Office of the U.S. High Commissioner for Germany, 1951), p. 156.

they, if necessary, submit it for clearances in effort adhere to original timetable of release this week-end:

"I refer to my letter of May 25, 1950[2] as yet unacknowledged by you, which informed you of conditions under which the German Federal Republic and my Government would find it possible to join with the Soviet Union in effecting the reunification of Germany through free all-German elections, and transmit herein the translated texts of three documents of recent date which bear on this subject and the relation of free all-German elections to the 'elections' now scheduled for October 15, 1950, in the Soviet Zone of occupation.

The first document is a resolution of the Bundestag, adopted September 14, 1950, by all political parties represented therein except the KPD, which, among other things, requests the occupation powers to arrange for all-German elections. The second is statement made on the same day by the Federal Chancellor on behalf of the Federal Government, in which it is announced that the Federal Republic will not recognize the validity of the October 15 'elections' in the Soviet Zone. The third is a letter addressed by the Federal Chancellor to the Chairman of the Allied High Commission under date of October 2, 1950, which, with reference to paragraph 2 of the Bundestag's resolution of September 14 under reference, enumerates the conditions on which the Federal Republic requests the four powers now engaged in the occupation of Germany to agree to effect German reunification through free all-German elections.

You will find upon examination that the procedures set forth in the Chancellor's letter are the same as those enunciated in the Bundestag's resolution of March 22, 1950, transmitted to you with my letter of May 25, and that they are, therefore, within the context of my letter under reference, procedures acceptable to my government.

The Federal Republic is, as you know, a freely elected Government and, as you will have learned from the communiqué issued by the Foreign Ministers of the UK, France and the US at New York City on September 19, 1950, is considered by my government, pending the unification of Germany, as the only German Government freely and legitimately constituted and, consequently, entitled to speak for Germany. The documents transmitted to you with this letter reflect the predominant will of the German people. I, therefore, commend them to your attention and to your government as pronouncements of the German people in respect of grave matters affecting their future and that of their country.

You will have noted that the Foreign Ministers, in their communiqué of September 19, stated that the staging of controlled elections of the type now scheduled in the Soviet Zone for October 15 negated the principle of effecting German unification through free all-German elections. The single-list 'elections' will deny to East Germany democratic parliamentary government and those democratic processes under which German unification can become reality. The Soviet Union is committed under Potsdam and other international agreements to these objectives and must bear full responsibility for obstructing their accomplishment. The procedures under which these 'elections' will be held are in direct contrast with the traditional requisites of free

[2] See telegram 121, May 25, p. 641.

democratic elections as enunciated in the Bundestag's resolutions of March 22 and September 14, and in my letter of May 25. For this reason I and my government, nor the Federal Republic, nor the German people can recognize them as capable of conferring on the East German regime either legitimacy or any claim to represent the German people now living in East Germany.

On behalf of my government, I emphatically protest the 'elections' now scheduled for October 15 in the Soviet Zone as neither free nor democratic, as contravening international agreements relating to the development of democratic institutions in Germany, and as designed to prevent the unification of Germany."

Reasons for forwarding Adenauer formula bound up in simple logic that Chancellor's letter asks us to implement our announced position on Germany unification, reiterated in Foreign Ministers communiqué of September 19, and cannot in all probability be kept from press. Refusal to move forward with Federal Republic initiative would thus undermine German faith in our *bona fides*, create doubt that propagandistic motives rather than political resolve motivated our approach to vital issue of reunification, and leave impression of Allied weakness vis-à-vis Soviet Union. We feel that risks of acceptance now are more minimal than was case with May 25 letter since Soviet offensive not spent in Germany and momentum behind October 15 elections and Sovietization East Germany too great to be brought to halt on this issue. More convincing perhaps is fact that if Soviets want to propose negotiations on this issue way is open under May 25 letter and will remain open under that letter since draft submitted herewith does not make new offer.[3]

Department pass Moscow; sent Department 2791 Niact, Bonn 55, repeated information Paris 229, London 203, Moscow 33.

McCloy

[3] The text of this letter was approved in telegram 2567, October 5, to Frankfort, not printed (762A.00/10–350). It was discussed on the same day, along with a British draft, at an informal meeting of the Allied Council, which agreed that the Political Advisers should combine the two versions. The final draft, incorporating the ideas but not the language of the United States text, was cabled to Washington and approved on October 6, dated October 9, to be delivered October 10 and published on the 11th. For its text, see *Documents on German Unity*, (Frankfort, Office of the U.S. High Commissioner for Germany, 1951), p. 157, or Margaret Carlyle, ed., *Documents on International Affairs, 1949–1950* (London, Oxford University Press, 1953), pp. 165–166. The minutes of the informal Council meeting are in Bonn Embassy Files, McCloy Project: Lot 311: Box 359: D(50) 2275e. Telegraphic reportage on these discussions is in files 762.00 and 762A.00.

Editorial Note

On October 21 the Foreign Ministers of the Soviet Union, the "German Democratic Republic", Poland, Czechoslovakia, Hungary, Romania, and Bulgaria, and the Albanian Minister to the Soviet Union issued at Prague a statement in reply to the communiqué issued

at New York on September 19 by the Foreign Ministers of the United States, the United Kingdom, and France. After denouncing Western policies and actions with regard to Germany, the signatories of the Prague communiqué called for:

"*First.* The publication by the Governments of the USA, Great Britain, France and the Soviet Union of a statement that they will not permit the remilitarisation of Germany, nor permit it to be drawn into any kind of aggressive plans, and that they will unswervingly carry out the Potsdam Agreement on ensuring the conditions for the formation of a united, peace-loving, democratic German State.

"*Second.* The removal of all restrictions in the path of the development of German peace economy and the prevention of the restoration of German war potential.

"*Third.* The conclusion without delay of a peace treaty with Germany with the restoration of the unity of the German State in accordance with the Potsdam Agreement, and with the provision that the occupation troops of all Powers be withdrawn from Germany within one year after the conclusion of the peace treaty.

"*Fourth.* The creation of an All-German Constituent Council, on a parity basis, consisting of representatives of Eastern and Western Germany, which is to prepare the formation of a provisional democratic peace-loving all-German sovereign Government and to submit corresponding proposals for joint approval by the Governments of the USSR, the USA, Great Britain and France and which, until the formation of an all-German Government, is to be drawn into consultation on the working out of the peace treaty. Under certain circumstances a direct questioning of the German people regarding this proposal may be carried out.

"On their part, the Governments of the USSR, Albania, Bulgaria, Czechoslovakia, Poland, Rumania, Hungary and the German Democratic Republic will do everything possible in order to facilitate the solution of these urgent tasks in the interests of strengthening peace and international security."

For the full text of the Prague communiqué, see Beate Ruhm von Oppen, ed., *Documents on Germany Under Occupation, 1945–1954*, pages 522–527.

762A.00/10-2250: Circular telegram

The Secretary of State to Certain Diplomatic Offices[1]

CONFIDENTIAL NIACT WASHINGTON, October 22, 1950—6 p. m.

Circ. 69. While ultimate purpose of Prague communiqué and gen frame of reference subject further study, opinion here that pattern

[1] The source text, addressed to the U.S. High Commissioner for Germany (McCloy), at Frankfort, was designated "Niact for Cox, PubAff". F. Gardner Cox, Jr., was Public Affairs Officer of the Progress and Policy Branch, HICOG. A notation on the source text indicates that the telegram was sent to 29 posts.

set by Berlin elections,[2] Moscow note re German "remilitarization"[3] and Prague communiqué permits immediate conclusion that major attempt on foot by Sov-Commie front to recoup polit and propaganda initiative, to confuse public opinion in Western Germany and Europe with respect to true record of US intentions and to create serious psychological and polit handicaps to execution of decisions reached at NY CFM. Nature and timing of communiqué in conjunction with other measures attests to importance attached by Moscow to impact of NY conference. On other hand, effectiveness of Sov-Commie line of argumentation must not be underrated in view of confused and disunited public opinion in Germany and France, particularly with respect to defense issue.

Pending further clarification of decision re treatment of latest Moscow note and Prague communiqué by US and possibly other powers, and pending final action on UN resolution concerning Big Five talks, media shld factually acknowledge communiqué and expose Sov-Commie confusion tactics simply through sober and forceful recapitulation of US and tripartite record. Treatment shld be focused on very issues which Sov and satellite FonMins claim exclusively to champion, namely reestablishment of Ger unity, econ rehabilitation, peace treaty, implementation of previous quadripartite agreements. Reference shld be made, among others, to fol:

1. US statements at sixth session CFM Paris May, June 1949.
2. McCloy's statement Jan 3, 1950.
3. Communiqué FonMins London May 14, 1950.
4. Communiqué of NY CFM, Sep 19, 1950.
5. Ltr of Allied High Commissioners to Chuikov in support of Bonn Bundestag Resolution Sep 14, 1950.
6. Statement by Secy at press conference Oct 20.[4]

In presenting the record, media shld avoid any defensive overtone. On the contrary shld point out that Moscow note and Prague communiqué have character of defending Sov-Commie record of inaction through reversing of issues.

Furthermore, Sov-Commie attack of tripartite decisions at NY CFM requires no refutation at this time beyond statement that deci-

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[2] For documentation on elections in the Soviet Zone of Germany, see pp. 942 ff.

[3] Regarding the Soviet note of October 19 on German "remilitarization", see the editorial note, p. 951.

[4] For the texts of the several U.S. statements on Germany at the Paris Council of Foreign Ministers, see *Foreign Relations*, 1949, vol. III, pp. 1040 ff. At his press conference on January 3, 1950, McCloy had stated, "we are and always have been in favor of free elections for all of Germany, Berlin included." (Bonn Embassy Files, McCloy Project: Lot 311: Box 356: D(50)5*a*). For the texts of the Foreign Ministers London and New York communiqués, see vol. III, pp. 1106 and 1296; regarding the letter to Chuikov, see telegram 2791, October 3, p. 663. Secretary Acheson's statement reads as follows: "The world has just witnessed the spectacle of the election fraud staged in the Soviet zone of Germany. Our sympathy goes out to the East German people who have been treated in such a contemptuous and humiliating fashion by their oppressors." Department of State *Bulletin*, October 30, 1950, p. 695.

sions are simply result of consistent refusal by USSR to respond affirmatively and constructively to US and tripartite proposals. In view of proven record of Sov obstructionism US and Western powers had choice of no other course but to proceed with creation of free and economically viable Germany secure against internal and external aggression.

Point out that, as before, US stands ready to join forces in this effort with all who are sincere in their desire to contribute to the unification, rehabilitation of Germany, guaranteeing to Germans respect for their laws and fundamental liberties and who are willing to help achieve this aim by deeds and not by propaganda.

ACHESON

Editorial Note

On October 25, Secretary of State Acheson commented on the communiqué issued at Prague. After reviewing the specific proposals, he concluded as follows: "We will always hope for and welcome tangible proof that Soviet intentions have changed. The Praha statement gives us no such proof. Instead, it abuses, by its perversion of language, the world's hope for peace and understanding, for an end to fear and threats. Against that abuse, I raise a solemn protest." For the text of Mr. Acheson's statement, see *American Foreign Policy, 1950–1955: Basic Documents* (Department of State Publication No. 6446), volume II, pages 1782–1784, or Department of State *Bulletin*, November 6, 1950, pages 727–728.

762A.00/12–750 : Telegram

The United States High Commissioner for Germany (McCloy) to the Secretary of State

SECRET PRIORITY BERLIN, December 7, 1950—midnight.

811. AGSec from Slater.[1] For Acheson and Byroade. Following summary report secret session HICOM Council held Berlin with Poncet (France) McCloy (US) and Kirkpatrick (UK) present re Grotewohl[2] letter to Adenauer proposing all German constitutional assembly (text of which sent HICOG Berlin to Department 786, Frankfort 886, Bonn 183, London 90, Paris 166 and Moscow un-

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[1] Joseph E. Slater, U.S. Secretary on the Secretariat of the Allied High Commission for Germany.

[2] Otto Grotewohl, Minister-President of the "German Democratic Republic".

numbered and HICOG Bonn sent Frankfort 397 repeated information Department 354 [3]).

1. *Grotewohl letter:*

Kirkpatrick opened meeting with statement that UK intelligence had concluded Grotewohl letter part determined attack "Anglo-US imperialism" and attacks Adenauer would cease. Concentration this theme borne out recent poster campaign throughout Germany.

Poncet expressed opinion Soviets serious their desire meeting four powers in the hope such meeting would place them better moral position to overcome feeling world public opinion they were aggressors. If West Allies refused such meeting Soviet aim would be still furthered. In his opinion primary Soviet objective to avoid rearmament in and neutralization of Germany. Present feelings Germans follow Noack's line [4] and desire avoid "scorched earth" situation Germany, pleased and encouraged Soviets. Soviets were anxious extend guarantee German neutrality and neutralization plus *status quo* re Oder Neisse border in order calm present worries satellites. In view above Poncet believed necessary give greatest care concerning Adenauer reply Grotewohl letter.

We took note of fact that Grotewohl addressed letter to "Federal Government of FedRep of Germany for attention of Dr. Adenauer, Fed Chancellor" and signed letter as "Minister-President of GDR". Both Poncet and Kirkpatrick inclined view it would be wise for Adenauer reply directly Grotewohl and pointed out significance form of address. In their opinion if HICOM replied or dictated terms of reply to Adenauer, Communists would claim in propaganda campaign that Adenauer was puppet West Allies and would not fail point out that Grotewohl wrote direct to Adenauer on his own.

I stressed that I would like give matter another 72 hours thought before communicating any HICOM advice to Adenauer. I agreed that method, form and channel of reply was most important in order avoid pitfalls inherent [in] the situation and that it could serve as propaganda vehicle in support the case of West Allies. (Personally I do not agree with Poncet that Grotewohl letter represented serious Soviet move but rather feel it was merely part of propaganda campaign.) I recommended that any reply should urge free elections according West concept.

We all agreed since Chinese success in Korea there was general disposition among certain elements in West Germany to examine the Grotewohl letter most carefully rather than turn it down flat.

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[3] Neither printed; for the text of Grotewohl's letter, see *Documents on German Unity* (Frankfort, Office of the U.S. High Commissioner for Germany, 1951), p. 166 or Margaret Carlyle, ed., *Documents on International Affairs, 1949–1950* (London, Oxford University Press, 1953), pp. 178–179.

[4] Professor Ulrich Noack, head of the so-called Nauheimer Circle, which advocated German neutrality.

There seemed to be general agreement that the Germans to whom letter has appeal do not fully comprehend that the reactivation Control Council would again bring into operation Soviet veto which would involve continuation Allied controls. Thus interim period to which Grotewohl referred might be an indefinite extension control period.

Kirkpatrick informed us that Schumacher told him that he was "of two minds" concerning note. He did not know whether outright refusal should be given or more general approach be adopted.

In conclusion we agreed HICOM political advisors should commence at once formulation of proposed line which HICOM could communicate Adenauer. Adenauer will be notified tomorrow by Poncet of Council's first reaction and that the Council would do its best consult with him and keep him up to date with its thinking. In general we agreed that we should be in position by next Thursday to give Adenauer our thoughts this matter. In meantime I hope Reber can bring from Paris the thinking of group drafting reply to Soviet note.[5]

2. *Deteriorating German and European morale:*

I took occasion underline rapidly deteriorating German and European morale resulting from the present period of indecision which was further aggravated by Korean reverses. I stated it was HICOM's responsibility come forward at once with constructive solution whole German problem and not wait upon action of the governments. I predicted the collapse of the Schuman Plan, frustration all efforts build reasonable defense, greater success in the Communist infiltration program and growth of "neutralism" unless something done rapidly. I continued that if no other forum was presently available deal effectively with these matters it was obviously my responsibility to do so. (I had in mind that something along lines our "package program" should be put forward by HICOM, although I did not refer to it specifically.) Kirkpatrick enthusiastically agreed but Poncet's attitude indicated he was not disposed or in position to take such "free flight".

Kirkpatrick urged me join him in recommendation that Spofford and Millar (if not Alphand)[6] come Germany during December recess as he felt it was essential they gain more direct impression the atmosphere here. He continued that any group which could seriously entertain Dutch proposal[7] was far wide of mark and therefore it was essential that they be reoriented.

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[5] For further documentation on the Soviet note of November 3, proposing the convocation of the Council of Foreign Ministers, see pp. 902 ff.

[6] Charles M. Spofford, Sir Frederick R. Hoyer-Millar, and Hervé Alphand, United States, United Kingdom, and French Deputy Representatives on the North Atlantic Council.

[7] For documentation on the Dutch proposal for German participation in the European defense structure, see vol. III, pp. 1 ff.

Both Kirkpatrick and Poncet also extremely critical the announcement out of London which stated the agreement reached re German rearmament took form of series of restrictions to be imposed on German participation. It is fatal in my jndgment, to approach Germany with announcement of what she can't do. What must be done, if we are to be successful, is merely to announce general understandings have been reached on range of German contributions and that further decisions can only be made after consultation with Germans. If the idea grows that all we do is transmit through Germans a predetermined set of restrictions, Adenaner can never be expected carry out affirmative program.

Department pass Moscow; sent Department 811, repeated priority information Frankfort 915, Paris 175, London 95, Moscow 104.

Frankfort eyes only King (no distribntion); Paris for Bruce, please pass Reber; London for Holmes, please pass Colonel Gerhardt; Moscow for Kirk.[8]

McCloy

[8] James E. King, Jr., Executive Secretary of the Office of the U.S. High Commissioner for Germany; David K. E. Bruce, Ambassador to France; Samuel Reber, U.S. Deputy for Austria at the Council of Foreign Ministers; Alan G. Kirk, Ambassador to the Soviet Union.

762A.0221/12–1550 : Telegram

The United States High Commissioner for Germany (McCloy) to the Secretary of State

SECRET PRIORITY Bonn, December 15, 1950—2 a. m.

391. Department for Byroade. AGSec from Slater. Following is summary report Executive session HICOM Council with Chancellor Adenauer held Bonn, Petersberg 14 December with Poncet (France), Kirkpatrick (UK) and McCloy (US) present.

1. *Grotewohl letter:*

(Refer to Berlin sent Department 811, repeated Frankfort 915, Paris 175, London 95, Moscow 104 of 7 December and Bonn sent Department 388, repeated London 91, Paris 92, Moscow 10, Frankfort 436 of 13 December 1950.[1])

Adenauer informed Council that he had had confidential meeting with his cabinet and chairmen of all Bundestag political parties (with exception of KPD and extreme right) in which great diversity of view was manifest. (Ollenhauer represented SPD at Schumacher's request as latter stated he was not in good health.)

[1] Telegram 811, *supra*. Telegram 388, not printed, reported the recommendations agreed to by the Political Advisers at their meeting on December 13 which would serve as a basis for the discussion with Adenauer of the Grotewohl letter (762A.0221/12–1350).

Adenauer stated Grotewohl letter was being used as part of well-designed propaganda program which he briefly described as follows: (*a*) copies of Grotewohl letter, accompanied by rather moderate comments, were being sent to leading West German intellectuals, doctors, lawyers, et cetera; (*b*) businessmen have been approached with rumor that Red China is willing to buy 5 billion dollars worth of industrial products, raw materials and armaments from Federal Republic; (*c*) politicians and statesmen were being approached with liberal explanations and clarifying statements re Grotewohl's letter and GDR intentions, e.g. "parity" in constituent body did not mean 50 percent Federal Republic and 50 percent GDR but rather basis calculation of population which would result in ratio of between 1 to 3 and 3.5; GDR legislation would be brought into harmony with Federal Republic legislation, et cetera. (Adenauer mentioned in passing that a rather well-known Communist had recently offered his services as a confidential intermediary with GDR.)

Adenauer stated he was not so sure that all of the persons approached realized purpose of campaign as well as he did, and that he had concluded that letter must be taken more seriously than was originally assumed. He ventured thought that letter may be preparing ground for proposal which Soviets desired to introduce at projected Four Power Conference. Adenauer concluded his opening remarks with request that HICOM release full text of its letter to Chuikov which transmitted Chancellor's letter containing Bundestag request for free elections as part of extended counter program which would exploit this theme.

During course of general discussion re form, timing and substance of reply to Grotewohl, Adenauer made following points: (*a*) That inasmuch as Federal Republic had been recognized by Foreign Ministers as sole representative of German people pending peace settlement, he would not address reply to GDR or to Grotewohl as Minister-President but rather would send emissary to Grotewohl to deliver oral statement plus an *aide-mémoire* which would not contain any address or signature; (*b*) that he intended to delay his reply until German opinion settled down somewhat. However, he did not agree with Schumacher that reply should wait until results of projected Four Power Conference were known. (*c*) That he intended to submit to HICOM text of his reply before dispatch and he would attach greatest importance to receipt of HICOM's comments and concurrence. Council expressed agreement with points *a*, *b* and *c* above.

In reply to Adenauer query, we informed him that none of his conditions for restoration of German unity should not [*sic*] at this time be linked with return of territory beyond Oder-Neisse line.

Kirkpatrick stressed that if West Germans realized acceptance of Grotewohl proposals and most recent Soviet line at Prague would mean restoration of Potsdam declaration regime, Allied Control Council and Soviet veto, they would appear less attractive to them. Adenauer agreed and indicated he would make this fact clear to German public.

In conclusion, I stressed that Adenauer should be most careful to include in his reply all of the conditions, stated in strongest terms, which he would require (including safeguards) to insure absolute freedom of elections inasmuch as Soviets have indicated that they were prepared to go to some lengths in order to achieve German unity. Soviets have launched an offensive to separate Federal Republic from Western community and to distract West Germans from secure position vis-à-vis the East by "the bait of unity". Soviets have recognized that association of Germany with Western and European army would be formidable block to their ambitions, and would promise almost anything in return for any stoppage of German contribution to Western defense. I then asked Adenauer what he would do if Grotewohl promised to meet all of the conditions set forth by him requesting that in return the Federal Republic in the interim would not take any action to line itself up with the West either by alliance or armaments. Adenauer answered that he could not at the moment set forth details or terms of a reply as he would have to know the situation existing at that particular moment. However, if the question were asked "do the West Germans want immediate unity of Germany under Soviet influence, or do they want to forego unity and remain free in the Federal area?", then in his opinion "the large majority of the German people would answer that they would rather be free even though the unity of Germany would not be restored immediately."

[Here follow parts 2–5, dealing with implementation of the decisions of the Foreign Ministers at New York, the financing of the Berlin police, implementation of High Commission Law 27 on the liquidation of certain coal enterprises, and the meeting of the North Atlantic Treaty Council at Brussels, December 18–19.]

Department pass Moscow. Sent Department 391, repeated information Frankfort 440 for King and Gerhardt, Paris 95 for Bruce, London 94 for Holmes, Moscow 11.

McCloy

362.00/12–1650

Memorandum of Conversation, by the United States High Commissioner for Germany (McCloy)[1]

TOP SECRET [FRANKFORT, December 16, 1950.]

[Participants: Commissioner McCloy
Chancellor Adenauer
Herbert Blankenhorn]

Having heard that German Chancellor was most anxious to see me before departing for Brussels,[2] I sent my train for him and he had dinner and spent evening of Saturday, 16th with me.

After dinner (Blankenhorn was with me) Chancellor stated that the pillars of his foreign policy were the *rapprochement* with France, good relations with the UK, and a strong attachment to the U.S.—that without U.S. strongly present in Europe there was no hope for it as others were irresolute and no match for the unrelenting pressure from the East.

Secondly he stated his policy was firmly directed to a thorough integration of Germany with the West—that any thought of a neutralized Germany was unrealistic as it meant only a Germany subject to Soviet influence. He said weighing his words carefully that he felt it much wiser and better from all points of view to renounce for a time the thought of a reunited Germany rather than provide for a united Germany under Soviet influence and he made it clear that what he meant was an unarmed neutralized Germany rather [than] one thoroughly integrated with the West and capable of being defended against Eastern encroachments. His argument stated on other occasions is that the strong influence of the great magnetic mass of Russia and her satellites to the East would draw an undefended Germany as certainly to the East as would a giant magnet draw a filing to it. The only force which could hope to oppose this influence would be a wholly integrated Western force including Germany. All short of that would mean a communized Germany as the first step and a communized Europe as the rapidly succeeding second.

What Adenauer would wish to see come out of Brussels would be a decision:

(*a*) to open discussions with the Germans respecting their contribution to Western defense, no diktats, no propositions on which a yes or no was demanded but a series of discussions based on the

[1] At the top of the source text Clement E. Conger, Staff Assistant in the Bureau of German Affairs, had indicated that Jacques J. Reinstein, Director of the Office of German Economic Affairs, had brought a copy of the memorandum back with him from Germany. McCloy transmitted an almost identical record in telegram 980, December 18, from Brussels, not printed (762A.00/12–1850).

[2] For documentation on the North Atlantic Treaty Council meeting in Brussels, December 18–19, see vol. III, pp. 582 ff.

Deputies thinking in the course of which German comments and counter proposals could be made.

(*b*) an indication that a German contribution implied the concept of equality and some change in the political status of Germany. The form, character, and time of such political developments would likewise be subject to an exchange of views with the German authorities.

(*c*) that the concept of a contractual relationship to succeed the present occupation statute relation while not accepted was not discarded as a possible means by which after discussion a new and satisfactory status could be achieved.

Adenauer on several occasions during the evening expressed his great fear of the results of a coming Four Power Conference.

He said he was aware of strong pressures in France for the "neutralization" of Germany coming partly from Communist strength in France, traditional Russian ties as against Germany and general lack of resolution to do anything which might appear to Russia as a serious effort to build up true Western Defense. He also referred to the elements in the Labor government in England which took the same line and also to a reported conversation which some press men in France had in Paris with Bohlen [3] in which the latter was quoted as indicating that some such result might be entertained under certain contingencies.

Present situation in Germany looked less favorable than it really was. There was resolution in Germany but it looked now to strong U.S. leadership around which to rally—needed a sight of courage and action as on all other sides there was hesitation and postponement of serious action.

He indicated such action would receive considerable opinion and support from elements in the S.P.D. party who were far from satisfied with the negative attitude associated with the expressed view of their leader Schumacher. He also indicated that he might at a proper time take some steps which would lead to bipartisan consideration of this problem of a German contribution.

When asked whether he thought any steps taken now on the part of Germans to contribute to Western Defense would produce overt action by the Soviets he said he thought that while it was possible, he greatly doubted it and that even if it were more apt to do so than he thought he said he preferred to go ahead rather than to accept the principle that any attempt to defend oneself should be abandoned because someone with a motive to dominate termed it aggressive.

He said he had given serious consideration to this question as naturally if Germany were overrun he would be about the first to have his neck involved.[4]

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[3] Charles E. Bohlen, United States Minister at Paris.

[4] Attached to the source text was a three-page outline, not printed, on positions which the United States should take at Brussels on further steps as to Germany.

762A.00/12-2950 : Telegram

The United States High Commissioner for Germany (McCloy) to the Office of the United States High Commissioner, at Frankfort

SECRET BONN, December 29, 1950—7 p. m.

476. From Liaison Bonn. ReDeptel 4568 to Frankfort, repeated Bonn 47, December 28.[1]

As indicated Bonn's telegram 474 to Frankfort repeated Department 422, December 29 (West German political weekly No. 23, paragraph (*c*))[2] Adenauer now apparently convinced by other Cabinet members of necessity of avoiding any further direct contact with GDR representatives and is planning reply to Grotewohl letter by simple declaration, probably before Bundestag after conferring with Cabinet and faction leaders, including SPD, next week. Federal Government felt it advisable to issue release December 29 to this effect (see Bonn's telegram 475 to Frankfort repeated Department 423, December 29[2]) because of considerable recent inaccurate speculation in West German press regarding possibility additional exploratory moves on part of FedRep prior answering Grotewohl letter.

As result of interview December 29 with Thedieck[3] and review information gathered press sources following is summary of developments FedRep consideration Grotewohl letter leading up to present time.

1. After initial negative reaction in coalition circles conviction grew that positive answer should be given in order at least to deprive Soviets of propaganda advantages. This was supported by HICOM suggestions.

2. Kaiser Ministry[4] prepared draft reply which has been seen by Bonn Liaison and is well within framework HICOM suggestions.

3. News of possible CFM reawakened old fear that West powers might sell Germany short in order reach agreement with Soviets. This feeling heightened by Korean developments, resulted in increased desire FedRep leaders to determine whether there was any possibility of fruitful talks with GDR.

4. Dertinger[5] in interview (about ten days ago) with Dutch correspondent claimed all-German elections were only "distant goal" of proposed Grotewohl talks, which were really designed first of all to undertake "practical measures" such as improvement travel regulations, increase interzonal trade, law-enforcement cooperation, etc.

5. Without consulting Cabinet or faction leaders, Adenauer decided on spur of moment to direct FedRep Berlin representative Vockel

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[1] Not printed; it asked urgently for "all available info re reported Adenauer move authorizing FedRep rep Berlin approach Dertinger re Grotewohl ltr". (762A.00/12-2450)

[2] Not printed.

[3] Franz Thedieck, Federal Republic State Secretary.

[4] Jacob Kaiser, Federal Republic Minister for All-German Affairs.

[5] Georg Dertinger, "German Democratic Republic" Minister for Foreign Affairs.

to call Dertinger on phone and inquire whether his press interview represented "official" interpretation of meaning of Grotewohl letter. Dertinger replied that this was in no sense official, but represented only his private opinion.

6. Kaiser took such strong exception to this move to contact Dertinger that he authorized Thedieck to inform Bonn Liaison confidentially that it might lead to his resignation and that he believed French influence partially responsible for this decision Adenauer's (see Bonn telegram 472 to Frankfort repeated Department 420, December 24 [6]). There has been no confirmation of latter point. It is quite possible that it was only another of Chancellor's not infrequent snap decisions made without consulting anyone.

7. SED organ *Neues Deutschland* printed in Christmas issue a second appeal of Grotewohl's [7] urging early answer to letter and brushing aside technicalities and conditions previously voiced by Bonn and GDR as "inconsequential" in comparison to basic need for "German-to-German" consultations. Necessity for holding such a meeting before CFM also emphasized in this Grotewohl article.

8. Thedieck told Bonn Liaison December 29 that although question of FedRep reply will not be entirely settled until after consultation between Chancellor, Cabinet and faction leaders next week, he felt certain on the basis of reassurances from Blankenhorn that:

A. There would be no further attempt to explore issue with GDR officials prior to reply.

B. Dibelius [8] offer to bring Adenauer and Grotewohl together in his home would be refused. (Thus far this offer has appeared only as press account of an article in EKD publication *Die Kirche*. Thedieck certain it had prior approval of Dibelius despite his reported expression of surprise in press December 29.)

C. That reply would be in form of declaration before Bundestag, content of which would be within framework of HICOM suggestions. Reply expected to contain positive note re desire for peace and unity and at same time urge establishment true representation GDR population by free and secret elections as preliminary to talks.

Thedieck emphasized that McCloy press conference December 27 was helpful in dispelling fears that CFM might make agreement at Germany's expense.[9] Not certain that all shades Cabinet opinion on question yet harmonized, but Thedieck seemed thoroughly relaxed and reassured that outcome would be acceptable to Kaiser Ministry and HICOM. Kaiser, in Berlin this week, apparently of same opinion judging from phone conversation he had with Thedieck during course of interview.

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[6] Not printed.

[7] For the text of Grotewohl's second appeal, see *Documents on German Unity*, (Frankfort, Office of the U.S. High Commissioner for Germany, 1951), pp. 167–169.

[8] Otto F. K. Dibelius, Bishop of Berlin of the Evangelical Church of Germany (EKD).

[9] A transcript of McCloy's press conference may be found in Bonn Embassy Files, McCloy Project: Lot 311: Box 359: D (50) 2840.

FedRep is preparing "white paper" on background of unity question including obstructive measures of Soviets and SED in order present clear picture to German populations of FedRep and GDR.

Sent Frankfort 476, repeated Department 424, Berlin 162, London 111, Paris 112, Moscow unnumbered.

McCloy

THE QUESTION OF PARTICIPATION BY THE FEDERAL REPUBLIC OF GERMANY IN WESTERN SECURITY ARRANGEMENTS; PROPOSALS FOR A FEDERAL POLICE FORCE; QUESTIONS OF REARMAMENT AND INTERNAL AND EXTERNAL SECURITY

762A.5/3-950

Memorandum by the Director of the Bureau of German Affairs (Byroade) to the Deputy Director of the Policy Planning Staff (Butler)

TOP SECRET — Washington, March 9, 1950.

Subject: Problems, Commitments, and Plans of the United States with Respect to Germany.

This paper contains the material requested in Mr. Rusk's [1] memorandum of January 18 [2] for inclusion in a report of the National Security Council on the objectives, commitments, and risks of the United States under present conditions or in the event of war.

I. Problems and Conditions in Germany Affecting United States Security

A. UNFAVORABLE

The problems and conditions in the German area which may have an unfavorable effect upon the national security of the United States are those which originate either with the Russians or the Germans. There is no other problem or condition in that part of Europe which by itself would affect American security.

Soviet

(1) Soviet pressure for domination of Germany. This is part of a world problem, manifested in its most acute local form by the blockade of Berlin.

(2) Division of Germany. As long as the division continues, the entire German situation will be provisional and shifting, and the conflicting pressures from east and west may be used for bargaining purposes by the Germans themselves.

(3) Proximity of Soviet troops and the isolation of Berlin. These are factors which increase the risk that military force will be used either by the Russians or the Allies.

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[1] Dean Rusk, Deputy Under Secretary of State.

[2] For text, see vol. I, p. 138.

(4) Increasing Sovietization of eastern Germany. To the extent that the eastern Germans are obliged to acquiesce in Soviet ideas, Soviet power is increased, and the chances are correspondingly diminished of bringing about the unification of Germany on terms satisfactory to the west.

German

(5) Resentment of the occupation. The Germans' dislike of foreign control reduces the scope of possible satisfactory cooperation between them and the occupation authorities.

(6) Traditionally undemocratic German mentality. Although there are democratic elements in Germany, the Germans are not, in general, accustomed to democratic ideas or responsive to them, either in official or private matters, but are susceptible to authoritarian forms of government.

(7) Unemployment and unsatisfactory economic conditions. These conditions increase the hostility of the Germans to the western powers, and offer favorable opportunities for the development of Communist and nationalist thinking and the exploitation of both by the Soviets.

(8) Refugees. The presence of great numbers of unassimilated refugees from the Soviet zone and eastern Europe is threatening both the political and economic recovery of western Germany.

B. FAVORABLE

The following may be regarded as conditions in the German area favorable to American national security:

(1) Soviet desire to trade with the west. The willingness of the Russians to maintain some trade between east and west furnished the only point of agreement at the Paris Conference in 1949. It has also contributed to keeping the division of Germany from being complete, and it affords a method of applying pressure against the Soviets in the form of a counter-blockade.

(2) Federal Republic of Germany. The establishment of the Federal Republic, which has a greater degree of political independence and economic recovery than the Soviet zone, is a stabilizing and strengthening influence in western Germany and should at the same time be an attraction to the eastern Germans that will work against the consolidation of Soviet power.

(3) German desire for relations with western Europe. The policy of the Bonn Government is to increase the political and economic ties between Germany and western Europe, which is helpful to the American policy of "integration."

(4) Fear of the USSR. The German hatred of the Soviets and Communism and fear of their power provide a basis for cooperation with the west, particularly since the Germans have no armed defense of their own.

(5) Presence of Allied occupation troops in Germany. As long as Allied occupation forces are in Germany, an attack on the country would almost surely be an attack on those forces and would therefore call into operation the North Atlantic Treaty. This is undoubtedly an inhibiting factor in Soviet policy.

(6) Allied unity. The position of the western occupation powers is greatly strengthened by the fact that there is substantial agreement among them on objectives and policies with respect to Germany.

II. Commitments of the United States With Respect to Germany

The principal commitments of the American Government regarding Germany are expressed in the Potsdam Protocol of August 1, 1945; the report of the London Conference of June 1, 1948; the Washington Agreements of April 8, 1949 (including the agreements on reparations, prohibited and limited industries, and the International Authority for the Ruhr); the Charter of the Allied High Commission of June 20, 1949; the United States Government's memorandum of October 7, 1949, concerning the Report of the Inter-Governmental Group for the Safeguarding of Foreign Interests in Germany; the Petersberg Protocol of November 22, 1949; and the Economic Cooperation Agreement signed on December 15, 1949.

Without attempting to summarize these agreements, it should be noted that they commit the United States to the complete disarmament and demilitarization of Germany, even after the withdrawal of the occupation forces; to the "eventual reconstruction of German political life on a democratic basis" and the "eventual peaceful cooperation in international life by Germany" (Potsdam); to the occupation of Germany "for a long period of time" and to the presence of American occupation forces in Germany "until the peace is secured in Europe" (London). The United States Government also feels itself committed to remain in Berlin until its responsibilities to the people of the city are fully discharged.

III. Plans and Programs of the United States With Respect to Germany

The general plan to counter the Soviet drive for power and to eliminate the German threat to peace is essentially the same. It calls for the establishment of an independent, self-supporting, peaceful Germany which will be integrated into western Europe and will contribute to its political and economic well-being. This will require the continued presence in Germany of an Allied High Commission with sufficient powers to carry out its policies and sufficient troops to enforce its powers. All other plans for Germany should be made on the assumption that an arrangement of this sort will be maintained for the foreseeable future.

More specific plans are outlined in the policy directive to Mr. McCloy [3] noted by the National Security Council on December 8, 1949. There is also a plan to renew the airlift if the blockade of Berlin should be reimposed (NSC 24/3 and 24/4 [4]), and consideration is being given to constructive measures which might end the present division of the country. Substantial efforts are being made through education and reorientation to influence the Germans to adopt fundamental demo-

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[3] *Foreign Relations*, 1949, vol. III, p. 319.
[4] Regarding NSC 24/3 and 24/4, see *ibid.*, p. 839.

cratic concepts in their institutions and habits of thought, and it is hoped that these projects will in time have an important effect upon political attitudes in Germany. The various economic problems are being met by ECA, by GARIOA appropriations, and by the development of foreign trade. The Allied High Commission is trying steadily to increase cooperation with the Germans and will progressively turn over greater power to them as they can be trusted to use it in accordance with Allied objectives.

762A.00/4-2450

Memorandum by the Counselor of the Department of State (Kennan) to the Acting Deputy Director of the Bureau of German Affairs (Lewis)

SECRET WASHINGTON, April 24, 1950.

Thank you for sending me the paper on German defense.[1] Although I think you know my views, I will recapitulate them here, for the record.

(1) I disagree with the position on German police as described in the paper. I consider that it is unrealistic to expect a demilitarized West German state to have stability unless there is an efficient federal constabulary to act as the sanction of the political power, and to balance off the East German police forces. I believe that we should endeavor to match approximately man for man and weapon for weapon the para-military units being developed in Eastern Germany. I cannot accept the proposition that it makes no difference whether western Germany is defended by our own forces or German police units. There is nothing the Russians want more than to see our forces become engaged in fighting Germans, while they sit on the sidelines and make political capital out of it. It is my belief that the future of Europe may well be settled by a showdown of police force within Germany rather than by an international war. We are already lagging seriously behind in this respect, and we have no time to lose.

(2) I see no reason why the Germans should require from us, or be given, any assurance of defense as long as they are occupied by the western allied powers. Obviously, an attack on Western Germany

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[1] Not printed; FM D E-8, dated April 15, under reference here offered three alternative methods of providing for German defense: 1) to rearm the Germans, 2) a guarantee by the occupying powers, 3) to bring the Federal Republic into NATO as a full member. (CFM Files: Lot M-88: Box 149: CFM May 1950 E, F, G, H Series) The CFM Files are a consolidated master collection of the records of conferences of Heads of State, Council of Foreign Ministers and ancillary bodies, North Atlantic Council, other meetings of the Secretary of State with the Foreign Ministers of European powers, and materials on the Austrian and German peace settlements for the years 1943–1955 prepared by the Department of State Records Service Center.

would be an attack on the western forces of occupation and would mean war. No paper assurance or agreement could alter or improve this situation from the standpoint of the Germans. Our position should be that the Germans are adequately covered in this way for the moment and that we will consult with them in good time about their future security when the termination of the occupation becomes imminent.

(3) I am strongly opposed to Germany's being invited to enter the North Atlantic Pact. I feel that there was something unsound from the beginning about asking demilitarized, or substantially demilitarized, countries such as Iceland, Italy and Denmark to enter into arrangements with us which implied mutuality of military obligation. I do not think we would improve things by compounding this sort of confusion, which we would do if we admitted another militarily important country such as Germany, on similar terms.

GEORGE F. KENNAN

762A.00/4–2550 : Telegram

The United States High Commissioner for Germany (McCloy) to the Secretary of State

SECRET FRANKFORT, April 25, 1950—5 p. m.

3486. Personal for Byroade from McCloy. I have studied carefully and discussed with my staff the approach to the German problem set forth in FM D A–4/2.[1] It is a bold and imaginative piece of work and provokes real thought.

I agree that time has come when West must develop and announce fundamentals of its philosophy, not only to counteract propaganda bombardment from East, but to put lift into West. Form and content such announcement should be carefully drafted, should have ring and spirit of real meaning.

Proposal of Germany for North Atlantic union and Germany's part therein was more difficult to assess. It is basically continuation of our policy of having three western powers concert together on German problem. Realizing difficulties of creating balance in Europe with no American participation, it is perhaps inevitable that solution should seek organization of wider geographic scope and function than exist-

[1] Not printed; it proposed: "1. A Tripartite 'Declaration setting forth the Fundamental Philosophy of the Western World'. 2. A Tripartite proposal for a North Atlantic Union (which would include Germany as well as the U.S.). 3. A Tripartite declaration in favor of all-German elections, and a restored Control Council without the veto, as a prelude to a German peace treaty." FM D A–4/2 was a revision of FM D A 4/1, dated February 11, in response to questions within the Department of State. (CFM Files: Lot M–88: Box 149: May FM Meeting A Series)

ing bodies. US and UK, whose power combination is the basis of our world policy, must act together to bring along France. That is what we have been doing since 1945, suppose it is a logical extension of our policy. I do not take issue with this but have considered alternatives to it. Have considered here possibility of US putting its support behind UK, by removing some of the differences which now exist between British and ourselves and permitting them thereby more flexibility in their handling of European problem, at same time increasing our aid so that they will not be overly concerned in their own economic welfare. We have also considered whether US should change its policy of support in Europe and place its weight behind Germany as a coming leader in European integration. After careful consideration, we have rejected these alternatives, although some appear very attractive at first glance. We have also considered whether within existing organizations US, by more participation, could achieve integration of Europe more effectively. Certainly some progress could be made through this approach, but it lacks real spark and vigor of the North Atlantic union concept, and may be inadequate to achieve results in time allowed us.

As you know, I have had considerable doubts that a democratic Germany as we would like to see it is certainly in [the?] new Germany. I think all elements are here and that Germany perhaps has never been in more receptive mood for proper orientation and that given time and effort American influence can bring her along right road. Could we afford time, that is path I would choose. However, I realize that such time is most probably not available to us. Pressures from the Germans from within and from Soviets from without will mount and our effectiveness and influence will diminish.

Though I would prefer to make a clear-cut early decision relying on pressure from the East to keep Germany in the democratic path, I feel that risk of dangerous back-slidings on part of Germans is very great. There are real liberal elements here who still need an umbrella under which to develop. If we lost all power now, they will almost certainly be resubmerged as I judge their present strength. This is perhaps best indicated by the cat and mouse efforts of the free press to survive. Therefore, I believe we should continue active reeducation in Germany for at least another 18 months, and to give it effect, I feel we must maintain a commission even with limited powers but with some power to disapprove legislation and assume authority in event of direct challenge during that period.

I realize, of course, that program such as has been outlined in the paper is not something which can be accomplished in few months. If it is accomplished in a year or 18 months, it will be doing well and during that time we can do much to bring Germany along right path. It places heavy burden upon us to bring about further acceptance

by the Germans of basic democratic principles which their present older generation at least do not have and which are generally acknowledged and accepted in the western world.

McCloy

Editorial Note

On April 28, Chancellor Adenauer addressed to the Allied High Commission a letter regarding establishment of a Federal police force. An English translation is quoted in telegram 205 from Bonn, *infra.*

862A.511/5–450 : Telegram

The United States High Commissioner for Germany (McCloy) to the Secretary of State

SECRET PRIORITY Bonn, May 4, 1950—11 p. m.

205. For Secretary eyes only. Verbatim text. Text of Adenauer letter re: Federal police force discussed at executive HICOM Council session Bonn/Petersberg 4 May 1950. Neither Robertson nor I expressed firm positions and no decision was made. Poncet stated firm objection to numbers proposed by Adenauer and to concept of federal wide establishments. Poncet indicated willingness however to consider small protective police force restricted to Bonn enclave under direct federal control. Apprehensions regarding timing and propaganda effects also briefly discussed.

Following is verbatim text:

"I have honour to bring following to your notice:

In short period that has passed since the establishment of Federal Republic of Germany it has proved a noticeable disadvantage that the republic does not command its own police force. The Federal Government is not able to take any executive police measures on its own authority.

This disability has an even more disadvantageous effect because *land* police forces are very much decentralized and are neither mechanised nor equipped successfully to carry out major operations in case of an emergency. Apart from exceptional case of national emergency under Article 91 of basic law, federation has no authority to issue orders to *land* police forces in any of three Western zones of occupation. This situation gives rise to grave anxiety especially at present when centres of unrest may at any time appear as result of very lively subversive activities from Eastern zone.

In long run federal state can only maintain itself if it commands an instrument for execution of its will. Other federal states have armies, main purpose of which, it is true, is to resist foreign aggression, but which can also be deployed to ensure maintenance of internal security. At present Germany has no army and does not wish for one.

Allied occupation forces provide the necessary means of defence against an attack. It is, however, not compatible with prestige of Federal Government to be dependent upon Allied forces for execution of its will; moreover, circumstances might arise in which intervention might cause embarrassment to Allied forces. Federal Government, therefore, considers establishment of federal police force to be an absolute necessity.

It would be task of federal police to protect constitutional structure on federation and to act in case of major threat to public order beyond control of land police forces. Unrest in central Germany which spread rapidly from an insignificant beginning in 1921 shows speed with which such disturbances can spread over considerable area. At that time police were suddenly faced by well-organized and armed insurgents. Although police were at that time better equipped with arms than is case today, they were not successful in their struggle against an even better equipped opponent and they could not re-establish public order; this was possible only with support of Reichswehr.

Beyond this federal police would also have to undertake protection of federal institutions and constitutional federal agencies in Bonn. At present no more than 110 policemen are on duty at any time in federal capital. They are not subject to instructions from Federal Government and they are not able successfully to oppose any major public disturbance.

In order to be equal to these tasks federal police would have to be so organized that police reserves in form of units in barracks are set up for purpose of carrying out other than local operations which they would have to be sufficiently strong in number and adequately equipped. With regard to numerical strength, one unit may be calculated per 200,000 inhabitants. On basis of population on figure of 45,000,000, this would mean approximately 220 units. If strength of each unit is reckoned at 120, federal police force would amount to total of approximately 25,000. Federal Minister of Interior would be supreme administrative head of federal police.

I am particularly anxious to stress that establishment of federal police force is not intended in any way to affect authority of either state or communal police forces in Laender. Delimitation of special powers of federal police vis-à-vis current functions of *land* police forces would have to be clearly set out. Problem whether and in what circumstances federal police should have power of arrest would, for instance, have to be examined.

I should be grateful to you if you could inform me soon whether there are any objections on part of Allied High Commission to intended establishment of federal police force within framework outlined above. If this is not case, detailed arrangements should be reserved to further talks in accordance with number 3 of letter of military governors of 12 May 1949 and number 5 of this [*their?*] letter of 14 [*8?*] April 1949.[1] Adenauer."

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[1] For the texts of the letter to the Parliamentary Council defining the powers of the Federal Government in the police field and the Military Governors letter approving the Basic Law, May 12, 1949, see *Documents on the Creation of the German Federal Constitution* (Berlin, Office of the Military Government for Germany (U.S.), 1949), pp. 137–138, or Beate Buhm von Oppen, ed., *Documents on Germany Under Occupation* (London, Oxford University Press, 1955), pp. 385–386 and 390–392.

Sent Department 205, repeated London 61 for Douglas eyes only and USDel Colonel N. A. Gerhardt eyes only, Paris 62 for Bruce eyes only, Frankfort 229 OES eyes only.

McCloy

Editorial Note

On May 12 the three Western Foreign Ministers, meeting at London, considered Adenauer's proposal to establish a Federal police force and decided that the matter required further study. Secretary Acheson in particular wished to consult President Truman and the Joint Chiefs of Staff before reaching a decision. The Ministers agreed, however, to protest the formation of paramilitary police units in the Soviet Zone. For documentation on the Foreign Ministers meeting, see volume III, pages 828 ff.; regarding the protest to the Soviet Government, see the editorial note, page 951.

S/P–NSC Files: Lot 62 D 1: NSC 71 Series [1]

Report to the National Security Council by the Secretary of Defense (Johnson) [2]

TOP SECRET Washington, June 8, 1950.

NSC 71

Extracts of Views of the Joint Chiefs of Staff With Respect to Western Policy Toward Germany

On 28 April 1950, the Joint Chiefs of Staff made the following comment with respect to Western policy toward Germany:

"The Western policy toward Germany is still keyed to the theme of preventing Germany from regaining a position which would enable her again 'to threaten the peace of the world.' Allied controls such as the Ruhr Statute, the Level of Industry Agreement, and our disarmament policy contribute to preventing effective Germany contribution to the strength of the North Atlantic community and constitute reasons why important segments of the German public may doubt that Germany's long-range interests lie in association with the West. While Western Germany's economic strength is an important consideration from the point of view of denial to the USSR, should Germany event-

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[1] Lot 62 D 1 is a serial and subject master file of National Security Council documents and correspondence for the years 1948–1961, as maintained by the Policy Planning Staff of the Department of State.

[2] Attached to the source text were a cover sheet and a note from the Executive Secretary, James S. Lay, Jr., which indicated that the views of the JCS would be placed on the agenda for the next regular meeting of the Council on June 15 and that "the Secretary of Defense stated that he considers them to be of particular significance." The June 15 meeting was subsequently postponed and NSC 71 was not discussed until July 6.

ually be brought into the Soviet camp, it would appear of greater positive importance to the West, at this time, to exploit the contribution which her great industrial potential could make toward a stronger economic development of Western Europe. Before further progress can be made towards developing Germany or Western Germany into a valuable industrial asset to the Western European and North Atlantic communities, agreement must first be reached with France to modify presently over-restrictive controls upon German industry."

On 2 May 1950, the Joint Chiefs of Staff made the following comment with respect to U.S. policy toward Germany:

"The Joint Chiefs of Staff are firmly of the opinion that, from the military point of view, the appropriate and early rearming of Western Germany is of fundamental importance to the defense of Western Europe against the USSR. In order to insure that the energy and resources of the German people become a source of constructive strength to the free world rather than again becoming a menace, either independently or with the USSR primarily, the present disarmament and demilitarization policy with respect to Western Germany should be changed. The Western Germans should, as soon as feasible, be given real and substantial opportunity to participate in Western European and North Atlantic regional arrangements.

In view of the foregoing considerations, the Joint Chiefs of Staff recommend . . .[2] that the United States should adopt the following policy:

> 'Bring about recognition by the Western European nations, particularly France, of the necessity of changing the present disarmament and demilitarization policy with respect to Western Germany so that Western Germany can contribute effectively to the security of Western Europe.'

It is recognized that political and psychological obstacles in Western Europe will have to be overcome if the present Allied policy is to be changed. Pressure should be brought on France to insure that unilateral action by France, such as that recently taken with respect to the Saar Basin,[3] is not repeated but that France be persuaded to recognize that the USSR is a greater menace to the independence of France than is Germany."

On 17 May 1950, the Joint Chiefs of Staff made the following comment with respect to Federal Police in West Germany:

"The Joint Chiefs of Staff have been informed by their representative in London that the three High Commissioners to West Germany have agreed to recommend to the Council of Foreign Ministers that West Germany be authorized to have 5,000 Federal police to be termed "Republican Guard." The Joint Chiefs of Staff strongly urge that the Foreign Ministers approve this recommendation, since such a force could well be the initial step in the eventual rearming of West Germany."

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[2] Omission in the source text.

[3] Regarding the Franco-Saar conventions of March 3, see the editorial note, p. 938.

611.52/6-1650

Memorandum by the President to the Secretary of State

TOP SECRET WASHINGTON, June 16, 1950.

I have been studying the National Security Council report by the Secretary of Defense on the United States policy toward Germany and Spain.[1]

These two reports are decidedly militaristic and in my opinion not realistic with present conditions. I wish you would look them over carefully and discuss them with me Monday when you come in for the conference.[2]

H[ARRY] S. T[RUMAN]

[1] For the text of the report on Germany, see NSC 71, *supra*. For the text of the report on Spain, see Bradley's memorandum to Johnson, May 3, vol. III, p. 1560.

[2] At their meeting on June 19, Secretary Acheson reviewed the position of the Department of State on Spain and Germany and offered to put their substance into memoranda for the President. For the views on Germany, see NSC 71/1, July 3, p. 691; for the views on Spain, see NSC 72/1, July 3, vol. III, p. 1570.

S/P-NSC Files: Lot 62 D 1: NSC 71 Series

Memorandum by the President to the Secretary of State

[TOP SECRET] WASHINGTON, June 16, 1950.

I just received copy of a Top Secret telegram from Commissioner McCloy on the rearming of Germany.[1] This is a most difficult subject about which to talk.

It seems to me that the British are doing everything possible to break up western European unity and, of course, one of their approaches would be to advocate the rearmament of Germany. France would immediately get a severe case of jitters if the subject is ever seriously considered.

We certainly don't want to make the same mistake that was made after World War I when Germany was authorized to train one hundred thousand soldiers, principally for maintaining order locally in Germany. As you know, that hundred thousand was used for the basis of training the greatest war machine that ever came forth in European history. While it wasn't successful in its objective, it certainly caused the unnecessary death of millions and millions of young men of all the other European countries and the United States.

[1] Under reference here is telegram 5052, June 13, from Frankfort, not printed, in which McCloy reported on a trip of former General Gerhard Graf von Schwerin to England which was apparently arranged to discuss the remilitarization of Germany with certain British officials. Von Schwerin claimed that he was told that the United States could "be brought into line quickly", and McCloy concluded that it was "becoming increasingly evident that the UK is utilizing pressure for creation of a German police force as a first step toward the remilitarization of Germany." (762A.5/6-1350)

This is a subject on which I think you should call McCloy home and you, the Secretary of Defense, McCloy and I ought to sit down and discuss the proper approach to a police force for Germany that will maintain order locally and yet not be allowed to develop into a training ground for a military machine that can combine with Russia and ruin the rest of the world.[2]

H[ARRY] S. T[RUMAN]

[2] Attached to the source text was a handwritten note from Byroade to Acheson which indicated that the President's thinking was along the lines of the Department of State's. Byroade, however, saw no need to recall McCloy for discussions, a view seconded by Jessup in another handwritten notation.

762A.5/6–2150 : Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfort [1]

TOP SECRET WASHINGTON, June 21, 1950—7 p. m.

4428. Eyes only for McCloy from the Secretary. I am very much concerned by back-stage Brit talks with Gen von Schwerin as described urtel 5052 June 13 (rptd London 319 [2]). Not only are such activities considered harmful to correct solution of police and remilitarization problems, but in gen I consider that this kind of unilateral negot with the Gers can speedily wreck HICOM. I note your ref to other info indicating Brit activity on question of creation of a Ger police force and I recall fact that you have evidence that Adenauer's ltr requesting creation of such force was at least inspired by, if not partly written by Brit. I consider this type of activity to be of sufficient importance to be called to personal attention of Bevin in a forceful manner either by Douglas or in personal letter from me. In this connection I shld appreciate views of Douglas as to best method of procedure as I am not certain whether Bevin is available at this stage for conversation of such a nature. Under either procedure we must be very certain of the facts and I wish you wld send Dept and Douglas without delay all the evidence you have indicating unilateral Brit intervention in this and other matters.[3]

I fully agree with attitude expressed in your reftel that police problem shld be strictly separated from remilitarization, and I con-

[1] Repeated to London, eyes only for Douglas as 3027 and to Paris, eyes only for Bruce as 2927.

[2] Not printed, but see footnote 1, *supra*.

[3] In telegram 5449, June 24, from Bonn, not printed, McCloy expressed his full agreement with the substance of the paper for the NSC (NSC 71/1, *infra*). Since he was at Bonn, he could not provide detailed intelligence on von Schwerin's trip to England, but after reporting two statements by Adenauer and François-Poncet in support of his position, stressed that it was "extremely important that we come to a common understanding among the governments regarding our position on German remilitarization." (762A.5/6–2450)

sider latter premature. If Brit indeed told Schwerin that US cld "be brought into line quickly", they are seriously misinformed. Best expression of Dept's official attitude can be found in statement which I am submitting to NSC in response to paper on this subj submitted by Dept of Defense. While for present it is desired maintain strict silence regarding fact this question is being discussed in NSC for your info text of paper is as follows:

[Here follows the text of the paper that became NSC 71/1 of July 3, *infra.*]

Turning from remilitarization to Adenauer's request for Fed police force, while we are not prepared agree to creation of large, centralized barracks police, we appreciate need for police protection under fed control for Bonn enclave and for adequate police forces within FedRep to deal with widespread disorders. We wld be willing permit estab of small force for Bonn enclave, (whether of 500 men, as Fr appear to favor (Ref Paris 2871, June 14, rptd Frankfort 403, London 800 [4]), or whether up to four times that size). Beyond that we feel that forces sufficient to cope with widespread disorders cld be built up adequately by strengthening *Land* police forces, possibly in numbers, more probably in organization, equipment and training. This wld no doubt require, as Fr FonOff appears to think, implementing legis of a precise nature under Art 91 of Basic Law,[5] but it will also require additional action in order to prod *Laender* into taking effective steps. We believe that if these courses are explored results can be achieved which will be entirely adequate to meet Adenauer's plea without recreating dangers to democracy inherent in strong centralized Ger police forces.

ACHESON

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[4] Not printed; it reported that the Foreign Ministry expected to send to François-Poncet, for the High Commission discussions on German security forces, instructions to accept a small force for the Bonn enclave and allow Federal control of *Land* police in certain circumstances, with the clear understanding that this would not be the first in a series of steps and that no connection existed between the remilitarization of East Germany and the problem of Bonn police powers. (762A.5/6–1450)

[5] Article 91 of the Basic Law reads as follows:

"(1) In order to avert an imminent danger to the existence of the free democratic basic order of the Federation or a *Land*, a *Land* may call in the police forces of other *Laender*.

(2) If the *Land* in which the danger is imminent is not itself prepared or in a position to combat the danger, the Federal Government may place the police in that *Land* or the police forces of other *Laender* under its instructions. The order (*Anordnung*) shall be rescinded after the danger has been overcome, otherwise at any time on demand from the Bundesrat."

S/P–NSC Files : Lot 62 D 1 : NSC 71 Series

Report to the National Security Council by the Secretary of State[1]

TOP SECRET
NSC 71/1

WASHINGTON, July 3, 1950.

VIEWS OF THE DEPARTMENT OF STATE ON THE REARMAMENT OF WESTERN GERMANY

The Department of Defense, in NSC 71, has raised for discussion the question of the rearmament of Western Germany. It is understood that the Joint Chiefs of Staff are not pressing for the immediate rearmament of Western Germany, but rather, recognizing the political implications, are urging that steps be taken to create conditions in Europe under which agreement could be obtained from all concerned on this question.

The pace of events, both as regards Germany and as regards European attitudes towards Germany, is fairly rapid. The United States Government is determined, and the British and French Governments have recently expressed complete agreement, that we must bring Germany as quickly as possible into close and firm association with the West and that we must create conditions so that the strength of Western Germany can be definitely added to the strength of the West. This implies not only that Germany should be brought into Western organizations, but that this should be done in a manner which so definitely commits Germany to the West that her future choice between East and West cannot be in doubt. The progress that has been made through the Council of Europe, the OEEC, and other arrangements for a real framework of strength in Western Europe including Germany has not been altogether up to the hopes and expectations of the Department of State. We now have, however, in the recent Schuman proposal for the pooling of heavy industries in Europe,[2] a project which gives real encouragement as regards the possibility of firmly cementing Germany into Western Europe. If such a proposal is successful, we may hope to see the French willing to agree to an approach to German questions which hitherto has been impossible for any French Government to support. Other steps are being taken, such as

[1] Attached to the source text were a cover sheet and a note from Lay (neither printed), indicating that this report was being circulated for the information of the National Security Council. The initial draft of these views was sent as an attachment to a memorandum from Byroade to Acheson, dated June 13, not printed, and except for minor textual differences, the draft is identical with the source text. A one-page summary memorandum of these views, not printed, was given to President Truman on June 30. (S/P–NSC Files: Lot 62 D 1: NSC 71 Series)

[2] For documentation on the Schuman Plan, see vol. III, pp. 691 ff.

the European Payments Union,[3] which all point to the tightening of Germany's ties with the West. The three governments have agreed to actively study in London this summer the question of modification of controls and restrictions on Germany.[4] It seems apparent, barring some unforeseen circumstances, that we are well on the way to lifting all but the most basic security controls. This should allow Germany, both legally and practically, to begin taking her normal place in Europe.

It was quite clear, however, both in the tripartite meetings in London, and in the meetings of the North Atlantic Treaty Council,[5] that the rearmament of Germany, and hence her inclusion in NAT, was considered premature to the point where profitable discussion cannot yet be held on this subject.

There are many considerations, looking only at Germany, which must enter into such a decision. We can never forget that we have a double problem. Even confronted with the Soviet menace as we are, we cannot ignore from the long-range point of view the vital importance of obtaining the right kind of Germany. High Commissioner McCloy believes, and the Department of State thinks he is right, that we are now and will continue to be for the next year or eighteen months in the most critical period as regards the development of attitudes and conditions which will influence Germany for decades to come. We are still in a position to shape the direction of these developments as our prestige in Germany is still great. We can expect this influence to diminish rather rapidly, and we wish to make the most of it while we still have the opportunity. In this connection one fact of great significance cannot be overlooked. The truth is that the majority of Germans, and particularly the democratic elements we are supporting, do not today desire to see Germany have armed forces. This is true of the rank and file of the German people, and not only of their elected spokesmen. They do not feel that their government is as yet truly representative of the people and they have seen to their disadvantage the effect of military influence on their past governments. Under such conditions, to force the German uniform back into the picture would without question act to the disadvantage and disillusionment of those elements in Germany on which we place our hope for the future. From the viewpoint of reaching our occupation goals in Germany, it is certainly to our advantage to delay the remilitarization of Germany in any form, at least until

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[3] For documentation on the European Payments Union, see vol. III, pp. 611 ff.

[4] For documentation on the Intergovernmental Study Group on Germany, see pp. 737 ff.

[5] For documentation on the meetings of the North Atlantic Treaty Council in May, see vol. III, pp. 1 ff.

we have had more time to develop democratic tendencies on the part of the German people and a more responsive form of government. Although world conditions could conceivably force us to abandon this portion of our program, at the present time we consider that the disadvantages of so doing clearly outweigh the risk we may be taking by not adding German manpower in a military sense to the West.

We must weigh carefully whether an abrupt reversal of our policy of demilitarization in Germany at this time would in fact add strength to the West. Certainly such a course would not add strength if it resulted in undermining Western Allied unity. Without substantial unity there can be no strength. The French, as has been stated before, are moving rather rapidly, considering their past traditions and policy. In the opinion of the Department of State this trend could be entirely reversed by an attempt on our part at this time to bring about the rearming of Germany. Such an attempt would likewise be a decisive factor of some significance in our own political life as large segments of American opinion would undoubtedly be thrown into very active opposition. We must also consider whether we can not obtain the maximum contribution by Germany to the strength of the West during the present stage without the use of German armed forces. In the face of the present economic and financial situation in Germany, Germany can hardly contribute, and still maintain conditions under which she is an aid to the reconstruction of Europe, more than the 22 per cent of her present budget which is used for support of the Western occupation forces. We must look upon this as a contribution to Western military strength rather than as the support of forces occupying a defeated country. The possibility of production in Germany of non-ordnance items of equipment for NAT forces could also be a factor in strengthening such forces. Here again, as in most questions, the problem is one of finance. This question has perhaps not been fully explored and the Department of State believes that the Defense and State Departments should look into this question more carefully.

The new concept of balanced North Atlantic forces is of course a factor in considering the eventual use of German manpower. If this concept proves successful in practice it would provide a framework in which a limited German rearmament might be manageable, especially in the eyes of the Europeans. Here again the framework has not yet been worked out to the extent sufficient to remove present obstacles.

In considering the possible creation of German armed forces, whether of the "balanced" variety, or otherwise, it is important to re-emphasize one point. The West Germans at present are overwhelm-

500-421—80——45

ingly anti-Communist and are repeatedly outraged by Soviet actions. Their ties to the West are not, however, so strong nor their sense of outrage and fear so great that they might not be tempted to make a deal with the East in response to changed circumstances or a clever Soviet move. It would not add true strength to the West to create a strong military force in Germany whose loyal support in the long run could not yet be counted on with reasonable certainty. There is no *short-run* danger whatever of the Federal Republic turning its back on the West. In this respect our policy in Germany has been wholly successful. But it should again be stressed that more time is needed for German political development and for anchoring Germany irrevocably in the West by ties of economic and political self-interest. It is also pertinent to point out that after building further strength in the West, and before re-arming Western Germany, we shall probably wish to make a further effort to reunify Germany.

The Joint Chiefs of Staff have also commented on the desirability of approving the establishment of a federal German police force as an initial step in the rearming of Western Germany. The Department of State is in full agreement that the present German police force should be strengthened, and it will press for action in that direction. The question as to whether this force should be directly under the Federal Government or whether additional and especially trained units should be created in the German States which could be used by the Federal Government is still to be decided and is probably not of great interest to the Department of Defense. The creation of a federal police would require a change in the German constitution. Knowing also the characteristic and unhappy use of central police by the Germans, we would want to define the functions of such police rather specifically by law. We wish to see additional strength of a true police nature but we do not wish to recreate a force which can readily be misused domestically by the central government. This question is now before the High Commission for recommendation to Governments. We do not consider this step as the initial phase of the rearmament of Western Germany which we believe to be a quite distinct and separate problem.

In summary, our present German and European policies are designed to create with the maximum speed possible the conditions under which Germany can be more completely aligned with the West. These policies recognize the need of direct German contribution to the strength of the West. The Department of State does not believe, however, that the time has come in this process for the United States publicly to advocate or otherwise press for action in the question of the establishment of German armed forces. It should also be remem-

bered that Germany is presently contributing 22 per cent of her budget for occupation costs and cannot be expected to contribute much more.[6]

[6] NSC 71 and 71/1 were considered by the National Security Council at its 60th meeting on July 6 with President Truman in attendance, but further action was deferred until its next meeting. The Council also agreed to study the two papers further and to say nothing about their consideration by the Council. (NSC Action 313: S/P–NSC Files: Lot 62 D 1: NSC Records of Action) However, the question of Federal rearmament was not taken up at subsequent NSC meetings and apparently was merged with the consideration of the larger problem of the Federal Republic's contribution to the strengthening of Western Europe (NSC 82 Series) which arose in September. Regarding this, see Secretary Johnson's letter to Secretary Acheson, August 17, vol. III, p. 226.

762A.5/7–650 : Telegram

The Ambassador in the United Kingdom (Douglas) to the Secretary of State

TOP SECRET LONDON, July 6, 1950—8 p. m.

112. Eyes only for the Secretary. In compliance with Deptel 3224 (repeated Frankfort 4695, Paris 3105)[1] Holmes and I took up matter today with Prime Minister, Mallet of German section FonOff present. I explained that we were very much concerned with the reports, which we believed to be correct, of unilateral discussions between HMG representatives and Germans concerning German police force and even rearmament of Germany. I referred to the encouragement which Robertson appeared to have given Adenauer and Robertson's views in regard to the rearmament of Germany. I also pointed to the conversations which von Schwerin was reported to have had with British officials in London.

These activities and discussions raised, I said, two important questions which were giving us great anxiety. The first question was the impropriety of unilateral negotiations with representatives of the German Republic or, if not negotiations, at least giving encouragement for the German Government to take a position on matter in respect of which the HICOM had not yet reached a decision. Continuation of the practice, I indicated, would cause a serious deterioration of the prestige, dignity and authority of the HICOM itself, if in fact it would not reduce the status of the HICOM to a low level.

The second question which these activities under discussion raised, was that of the rearmament of the German indirectly if not directly through the organization of a police force. The seriousness of the question emphasized the dangerous nature of unilateral discussions

[1] Not printed; in it Secretary Acheson requested Douglas to present to Prime Minister Attlee the United States view as indicated in telegram 4428 of June 21 (p. 689) (762A.5/6–2450).

on matters about which the HICOM was not in complete agreement. Beyond this, the matter of rearmament of Germany was, we felt, at the moment premature. Any discussion of a police force should be held within the limits of a pure federal police force and should not, by implication or otherwise give rise to suspicions about the rearmament of Germany.

The Prime Minister who had not been thoroughly briefed on the subject of the police force, indicated that he agreed that the practice of backstage consultation was dangerous. He would, he said, look into the whole matter.[2]

Sent Department 112, repeated info Frankfort 19 (eyes only for McCloy), Paris 38 (eyes only for Bruce).

DOUGLAS

[2] In telegram 157, July 8, from London, not printed, Douglas reported that Attlee had given him an oral reply, denying any British discussions of remilitarization with Adenauer. Kirkpatrick's conversations with von Schwerin "had been informal and had occurred because von Schwerin had been useful prewar intelligence contact." Attlee stated further that the British position on remilitarization remained unchanged. Douglas believed that the representations to the Prime Minister would "serve as a useful warning and would deter further unilateral acts by British vis-à-vis Germans." (762A.5/7-850)

762A.5/7-1450 : Telegram

The United States High Commissioner for Germany (McCloy) to the Secretary of State

TOP SECRET PRIORITY BONN, July 14, 1950—1 a. m.

26. For Acheson and Byroade eyes only (no distribution).

1. Kirkpatrick[1] today reported to Poncet and me a long talk he had with Adenauer on July 11 in which the Chancellor again expressed his concern over the question of security. The main points were as follows:

The Chancellor said he had acquiesced in my suggestion that this was not time to press matter of security guaranty, but that he felt there was a real vacuum in all Western preparations. Unless remedied by the introduction of some concrete measures in Europe it would result in a total lack of confidence on the part of the West Germans. His reports gave him no hope from the French and he feared the revival of an attitude among the Germans, particularly if the news from Korea continued bad, that they had better modify their policy regarding Russia unless the Allies took steps to convince the Germans that some opportunity would be afforded them to defend their country

[1] Sir Ivone A. Kirkpatrick had been appointed British High Commissioner for Germany on June 24.

in the event of emergency. He said that he acknowledged that any thought of creating a German army as such was out of the question, at least as long as France remained with no substantial army, but that some provision should be made to maintain stability in West Germany in the event of a *Volkspolizei* attack from the east and that opportunity should be given to Germans to play some part if such a development occurred. He is also concerned naturally with a Soviet attack and he makes the same point if the attack should take such a form. The Chancellor also complained that he had no knowledge of Allied plans in the event of an attack and felt there should be exchanges between a representative of the Allies and a representative of the German Government to deal with these emergency plans.

2. Both Kirkpatrick and Poncet expressed the belief that continued bad news from Korea would cause Western Germans to become more restive, dilute their enthusiasm for Adenauer's Western policy, and create pressure to change it, at least until the situation improved. Kirkpatrick felt that we should give the Chancellor and the Germans the feeling that we are at least doing all that we reasonably can to protect the government and to maintain order. Thus, Kirkpatrick pled as a minimum step for the immediate approval of an effective German auxiliary force which would at least be able to deal with refugees and assist in keeping order while the Allied armies composed themselves for an attack. Kirkpatrick said he did not care whether this force took the form of a federal police or a strengthening of the *land* police so long as the force could be considered effective for the purposes intended. He felt this necessitated some central inspecting agency and the erection of means whereby the force could be available in strength at short notice.

Insert A: It was interesting to note that Poncet today definitely stated that he felt German service troops with our armies could be increased and given training and he also felt that in case of an emergency should be means for Germans to fight with us.

3. While I naturally discount somewhat Kirkpatrick's and Adenauer's concern in view of the possibility that Kirkpatrick may only be pressing in another form the British desire for the rearmament of Germany and that Adenauer may only be seeking means to strengthen his government by the creation of a federal police force and using the Korean incident as a gambit for this purpose, I feel that continued bad news from Korea and the likely increase of rumors in the Balkans and perhaps from Czechoslovakia will tend to unseat the general stability of the population which now exists.

Insert B: I also saw Adenauer yesterday and he said much the same to me and Hays. He also gave us a report on his recent talk with Schumacher which apparently dealt with this subject as well

as the role of the SPD in connection with Schuman Plan. He is off today for Switzerland, still a little weak—mentally, morally and physically. Bluecher has been left in charge.

My feeling is that there is a lack of sufficient emergency planning in respect to the use of Germans, including the role of the Federal Government. In my judgment it is necessary to advise the Germans at some point that we would permit them to fight shoulder to shoulder with us when the need should arise.

I also believe we should permit those who wish to, to enlist in our army, and my impression is that Kirkpatrick and Poncet are in agreement with this. Indeed, I have already told Handy [2] that I have no objection to the enlistment of aliens in the army in the event of emergency and I understand that he is about to request permission to do this. Moreover, I have agreed that Hays can act as the Allied representative to receive any proposals from Adenauer's representatives for the safety of the government and the employment of German volunteers in the event of an emergency. While my view is that we should make plans to permit Germans to fight with us if an emergency arose, we should make no commitment in this regard unless we know we have the equipment and the means to enable them effectively to do so.

4. Whether the measures suggested by Adenauer would tend to reassure the Germans is somewhat doubtful but in any event I would think that it would be to our advantage to start planning for the use of German manpower along the line suggested above and subject to the condition stated above.

Insert C: Please give us some guidance as soon as possible.[3]

Sent Department priority 26, repeated Frankfort priority 29 for Gerhardt eyes only (no distribution).

McCloy

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[2] General Thomas T. Handy, United States Commander in Chief for Europe.

[3] In telegram 340, July 15, to Frankfort, not printed, McCloy was advised that there were "no serious political objections to use of Ger personnel within US or other Allied forces." On the use of German forces, however, McCloy was asked for clarification of his views before the Department of State discussed it with the Department of Defense. (762A.0221/7-1450) McCloy replied on July 18, stating that he was considering the matter with Generals Hays and Handy and would report further. In the interim he offered three additional thoughts: 1) "there should be no impediment to the enlistment of Germans in our armed forces," 2) "there should be an increase in the auxiliary service troops by German recruitment," 3) "we should consider whether we should provide means to permit much larger groups to train and fight in the event of an emergency." (Telegram 461, July 18, from Frankfort, not printed, 740.5/7-1850)

862A.00/7-2550

Memorandum by the Director of the Bureau of German Affairs (Byroade) to the Secretary of State [1]

SECRET WASHINGTON, July 23, 1950.

Subject: Situation in Germany (Senate Foreign Relations Briefing)

[Here follow sections dealing with the situation in Berlin, the third SED Congress in East Germany, and the struggle for German minds; regarding Berlin, see pages 818 ff.; regarding the SED Party Congress, see telegram 921, August 2, page 964.]

A. DILEMMA OF GERMAN REARMAMENT

We are conscious of the real need for strengthening the West and of the general man-power situation in the West. In considering the use of German man-power for military purposes, however, we must think of the following:

a) We must retain Allied unity on approach to Europe which itself is a factor of strength.

b) The German *people* as a whole do not desire armed forces even in the present situation.

c) While we have a Soviet menace in Germany we still have the dual problem of combatting this and at the same time attempting to obtain the right kind of Germany. Telling the Germans to rearm would particularly discourage the elements in Germany we have been counting on for future leadership. It would make ineffective to a large degree our present reorientation effort and discourage retention of reforms already made.

d) It would provide a point of very high tension with the Soviets and would undoubtedly result in an armaments race with Germans against Germans.

e) There should be greater economic and political integration with the West prior to Germans returning to the military field.

The policy we are following, and pushing to its utmost, will if successful, within a period of time decrease many of the arguments against German rearmament. We are bringing Germany back into Europe just as quickly as she has been able to proceed and we are working with the French and British now in London to make further steps in this direction. We want greater strength in the rest of Western Europe and particularly in France. If this were accomplished prior to the formation of German units they would be in better perspective.

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[1] Attached to the source text was a memorandum from Byroade to Webb, dated July 25, not printed, stating that the Under Secretary might wish to discuss any or all of the subjects with Senator Connally and that the source text had been prepared for Secretary Acheson's conference with the Senate Foreign Relations Committee (862A.00/7-2550).

We wish to obtain a practical acceptance of the theory of "balanced" forces. This again would make German units of a specified type more acceptable. We wish to proceed to a better integrated European command. This again has a bearing on German rearmament.

Finally, we wish to see a scheme, such as the Schuman plan work out in practice. This plan alone, if successful, should change the situation considerably.

The above factors are under constant review. We also have under study, but as yet with no conclusion, the possibility of intermediate steps for the use of German man-power. One possible way would be to allow their enlistment in allied forces. We are also studying the possible ways in which German man-power might be conceivably used in the defense of Germany without having German units actually in being in peace time. No scheme along this line has yet been devised, however, that does not carry with it most of the disadvantages of actual German rearmament.

B. German Police Situation

There are slightly over 100,000 police in the Western zones of Germany and somewhere around 120,000 police in the Eastern Zone. Of that total in the East approximately 50,000 are so-called para-military units and cannot be properly called police. We wish to see a strengthening of Western German police, not so much in numbers as in equipment and training. We are approving McCloy's recommendation of this weekend that we authorize the Germans to create an additional 10,000 men unit which would be mobile and have more effective weapons and training.[2] Arrangements will be made so that this force could be transferred between German *laender* in emergency. We have not as yet received notice of the approval of the British and French Governments.

C. Military Procurement in Germany

We are studying the advisability of procurement for NATO forces in Germany. It may be that a considerable amount of the non-ordnance equipment needed could be profitably procured in Germany.

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[2] Regarding McCloy's recommendations on the Federal police and the High Commission's letter to Adenauer, see telegram 58, *infra*.

862A.501/7–2850 : Telegram

The United States High Commissioner for Germany (McCloy) to the Secretary of State

SECRET

BONN, July 28, 1950—5 p. m.

58. No distribution. Reourtel Bonn to Department 54, repeated Frankfort 60, Berlin 9, dated 28 July.[1]

Following is verbatim text of letter to Adenauer re establishment of federal police:[2]

"Your Excellency,

I have the honour to refer to Your Excellency's letter of 26 April regarding the establishment of a federal police force.

The Allied High Commission has given careful consideration to your request and appreciates the motives which prompted it. It is prepared to lift the ban on [*in?*] Article 91 paragraph 2 of the basic law and to give approval to the setting up in the different *Laender* of a mobile police force, totalling 10,000 men, which may be quartered in barracks, to be specially trained and equipped and it could be recruited at large or transferred from existing police forces in the *Laender*. It is unable to authorize the formation of a federal police force, but the above provisions should realize the police objectives which you have in mind.[3]

The High Commission is of the opinion that the Federal Government must have assured powers to call out and control these mobile police forces for the duration of any emergency.[4] During other periods such mobile forces will be placed under the authority of the *Laender*

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[1] Not printed; it transmitted a summary record of the 35th meeting of the Allied High Commission (762A.00/7–2750). The minutes and related documentation of this session may be found in the Bonn Embassy Files, McCloy Project: Lot 311: Box 358: D(50) 1842a.

[2] On June 17, the Allied Council appointed a special tripartite committee, which in meetings on June 30 and July 13 considered the views and proposals of each representative on the question of the Federal police. The committee agreed on the text of a letter to Adenauer and transmitted its draft to the respective governments on July 22. The text of this first draft was approved by Presideut Truman and the Department of State on July 24. The British also approved this text, but the French raised certain objections which were referred to the High Commission for resolution. Documentation on these developments is in files 862A.501 and 762A.5.

[3] The text of this paragraph in the first draft reads as follows:

"The Allied High Commission has given careful consideration to your request and has decided that it is unable to accept the establishment of a Federal police force. It is nevertheless prepared to lift the ban on Article 91, paragraph 2 of the basic law and to give approval to the setting up in the different *Laender* of a mobile police force, which should not exceed 10,000 men, which may be quartered in barracks, be specially trained and equipped and which could be recruited at large or transferred from the existing police forces in the *Laender*."

[4] In telegram 52, July 26, from Bonn, not printed, McCloy reported that the definition of the term "emergency" would be a matter for decisiou by the Federal authorities depending on the fiual laws which set forth the circumstances under which the mobile police might be called out by the Federal Republic. (862A.501/7–2650)

governments, subject to such measures necessary to secure uniformity with respect to availability, equipment and training.[5] It will be important to provide for machinery to ensure full cooperation in this respect between *Land* and Federal Governments.

The High Commission would welcome the opportunity to discuss informally with a representative of the Federal Government any proposals for the establishment of a police organization as outlined above at the earliest possible date." Signed Ivone Kirkpatrick.

Sent Department 58, repeated info Frankfort eyes only for King and Gerhardt 64.

McCloy

[5] The text of this sentence in the first draft reads as follows: "During other periods the *Land* authorities should exercise maximum control of the mobile forces consistent with central supervision adequate to secure uniformity with respect to availability, equipment and training."

740.5/7-3150

Memorandum of Conversation, by the Secretary of State

TOP SECRET

Washington, July 31, 1950.

Meeting With the President

ITEM 2. THE POSITION OF GERMANY IN THE DEFENSE OF WESTERN EUROPE [1]

I reported to the President that in accordance with his directive to me we had been doing a great deal of thinking about this subject in the Department. I wished to lay before him certain general ideas, not for any decision on his part but to learn whether he thought we were thinking along the right lines.

I said that in some quarters there was a thought that the question of whether or not Germany should be rearmed should be brought to the President through the Security Council for decision and that after this decision had been reached, work should proceed on methods. It seemed to us that this was the wrong way to go at it. The question was not whether Germany should be brought into the general defensive plan but rather how this could be done without disrupting anything else that we were doing and without putting Germany into a position to act as the balance of power in Europe. It seemed to us, for instance, that to create a German General Staff in the German Army and a German military supply center in the Ruhr would be the worst possible move, would not strengthen but would rather weaken

[1] President Truman and Secretary Acheson also discussed matters connected with the meetings of the United Nations Security Council and Nehru's note of July 13 to Secretary Acheson; regarding the latter, see vol. VII, p. 372.

Western Europe and would repeat errors which had been made a number of times in the past. The President said that he agreed with this view and gave illustrations of the mistakes which had been made along this line from Napoleon's time on.

I said that we were thinking along the lines of the possible creation of a European army or a North Atlantic army.[2] Such an army might be made up in part of national contingents and in part by recruits from a number of countries who could act under a Central European or North Atlantic command. German economic power might be integrated with the production of the other Atlantic powers so that it would not be a separate and complete source of military equipment, but would have to operate with the others. In such an arrangement, Germans might be enlisted in a European army which would not be subject to the orders of Bonn but would follow the decisions reached in accordance with the North Atlantic Treaty procedure.

I asked whether such an inquiry would seem useful to the President. I warned him that there might be many difficulties developing. The President expressed his strong approval of this line of thought and directed us to proceed along these lines. I told him that the results of such work would come to him in an orderly way through the National Security Council in the event that it proved practicable after further study.

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[2] For further documentation on the creation of a European or North Atlantic Army, see vol. III, pp. 1 ff.

Editorial Note

On August 3, McCloy despatched a long telegram, eyes only, for Acheson and Byroade positing his solution to the problem of the defense of Western Europe. In particular he stated the position and role the Federal Republic of Germany would have to play within this context. This telegram began an exchange of communications between London, Paris, Frankfort, and Washington concerning the defense of Western Europe, and the question of German rearmament became merged in this larger issue. For the text of McCloy's telegram (No. 962) and further documentation on the defense of Western Europe and German rearmament, see volume III, page 180 and pages 1 ff.

762A.00/8-450 : Telegram

The United States High Commissioner for Germany (McCloy) to the Secretary of State

SECRET FRANKFORT, August 4, 1950—noon.

971. Present West German temper against background latest Korean developments marked by profound concern and realistic appraisal German situation but no general panic or collapse of morale.

On debit side, there has been acute realization threat to Germany implied in Kremlin decision resort "hot war" Korea, eliminating German hope that Soviet fear US potential would suffice deter overt military action by Soviet or orbit governments. Generally realized now that Germany defenseless except for strength western powers. Korea causes doubt such strength adequate defense Germany and Europe, and consciousness Germany a "soft spot" and stake of highest importance to Soviets.

Available evidence indicates deep prevailing unrest and uncertainty though morale of "man in street" holding reasonably well. Many persons of property or prominence, also business firms, showing regrettable tendency attempt "insure" selves against possible Communist take over by contributions KPD (some even secretly matching normal overt payments to their bourgeois parties), ads in KPD papers, devious trade deals in violation western restrictions, and general avoidance open espousal or support west-orientation policies.

Certain influential German political leaders have expressed to US officials grave misgivings course events. One able and influential CDU leader spoke of "almost hopeless" international situation in following terms: believes Soviet forces can overrun all Europe at will; western comeback might require many years once Soviets dig in and use modern techniques control and convert younger population; holding at least non-Communist west European bridgehead of prime importance to west in such event; west Germans could perhaps accept fact Germany cannot be defended but must be offered some hope for future; morale being weakened by increasing arrogance Communist agents; and youth inclined to alarmist and despairing view current situation if no positive, hopeful course of action can be presented.

Total picture German reaction, however, presents certain more favorable aspects. Belief is general west has acted with decision and determination. Full awareness meaning Korea for Germany and Europe and fact Germany not isolated problem. "Third force" concept weakened and now has slight appeal. Despite personal fears, German opinion overwhelmingly pro-west and sees US–UN action as fight for common cause. Press commonly designates North Koreans as "enemy". Evidence gradual shift of attitude on German security and possible rearmament in progress. Decreased emphasis on need for formal

security guarantee for Germany and readiness expressed Germany contribute common security effort. Belief commonly held that revision German disarmament policy imperative but uncertainty as to form German contribution or extent German military effort possible or desirable.

Germans appreciate US military effort and sacrifice even if somewhat disillusioned results to date. Frank admission military setbacks taken as sign of strength (note contrast Nazi attempt conceal military failures in late phases World War II). General, emphatic approval of recent decisions occupation authorities to "crack down" on Communist if necessary. Strong favorable reaction Cardinal Frings'[1] "no peace at any price" statement.

One effect Korean crisis has been to develop agitation in some quarters for drastic revision occupation statute in direction equality status and restoration sovereign powers. Certain representatives of major parties and public leaders urge more sweeping changes than seem likely be recommended by London study group or than we have in mind at present. For example, Euler (FDP), Brentano (CDU), Wehner (SPD)[2] have recently declared to US liaison officers at Bonn that radical modification occupation statute most effective means strengthen West German position vis-à-vis east. Argued wide expansion German powers necessary if FedRep to earn respect West Germans essential these critical times. Stressed psychological effect such action, holding FedRep must not be considered puppet of HICOM. They claimed greater freedom of action requisite in both foreign and internal affairs, maintaining such independence alone could enable Germans resist blandishments of Soviet Zone Government. Realized desired changes in occupation statute unlikely but warned result insufficient action would be German demoralization and disillusionment.

Same position underlined by Vice Chancellor Bluecher at press conference Bonn August 1. Asserted revision occupation statute with restoration sovereignty best means make FedRep "politically crisis proof" and strong vis-à-vis the east. Germany should be admitted full partnership in west, including role in security system.

Evidence of rather wide conviction in West Germany that Korea enhances significance role semi-independent Germany and hence revision occupation statute should at this juncture be along road lines with substantial grants of freedom of action to federal and *land* governments, and much talk to effect that failure such action may be interpreted as lack of confidence in Germany and unwillingness trust

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[1] Dr. Joseph Frings, Archbishop of Cologne.

[2] August Martin Euler, Bundestag member from Hesse; Heinrich von Brentano, Bundestag member from Hesse and Chairman of the CDU parliamentary group; Herbert Wehner, Bundestag member from Hamburg.

Germany as reliable partner in western community. At same time some of these statements should be discounted as inborn instinct of Germans to capitalize on any situation, which Korean is too good to be missed, in order to extract maximum concessions from occupation powers.

Sent Department 971; repeated info London 86 for ISG, Paris 88, Rome 16, Moscow unnumbered.

McCloy

740.5/8–1050 : Information airgram

The Secretary of State to the United States Embassy in Canada[1]

TOP SECRET Washington, August 10, 1950.

A–52. For the Chief of Mission.

US Policy on Use of German Industrial Capacity

We have informed Ambassador Douglas that we completely agree with him that our policy of utilizing German production capacity to provide non-combat items for rearmament of free world will inevitably involve modification of the agreement on prohibited and limited industries. We want to do everything possible to play down publicity on the proposed use of German industrial capacity but we agree with Douglas that with minimum publicity we should go ahead and procure and suggest to other Atlantic Pact countries that they do likewise on a routine basis. We agree entirely with Douglas that as the volume of purchases increases it will probably become apparent to all concerned that amendment of the agreement on prohibited and limited industries with respect to certain components of combat type equipment is desirable.

Acheson

[1] Source text carries the instruction "no distribution in the Department".

762A.00/8–1850 : Telegram

The United States High Commissioner for Germany (McCloy) to the Secretary of State

TOP SECRET PRIORITY Frankfort, August 18, 1950—7 p. m.

1479. Eyes only for Byroade. Following is report of my talk with Adenauer on 17 August:[1]

Adenauer's first visit with Commission since his return from vacation dealt only with matter of security. He said that time had come for

[1] Telegram 80, August 17, from Bonn, not printed, reported on other matters discussed between the High Commissioners and the Chancellor before this two-hour private meeting (762A.0221/8–1750).

comprehensive statement of international situation from German point of view. He found state of great demoralization in Germany on his return from Switzerland and felt that Allied Governments should face facts as he saw them.

He read from comprehensive intelligence report, based on information from many different German sources, and promised to give us copy of report shortly. In substance it was as follows:

There are from 175 to 200 Soviet divisions at peace strength. Soviets have 40,000 tanks. He does not have as yet reliable estimate on number of planes, but will be able to do so shortly. Soviet forces in Eastern Zone have been increased during summer south of Frankfort-on-Oder. Two new divisions were brought in and substantial quantities of equipment have been brought up. Long runways are being built and long-range jet bombers are included in planes now in East Germany. There is full militarization of *Volkspolizei* (*Bereitschaften*) and they no longer have anything in common with ordinary police. The *Volkspolizei* are now composed of five groups: first in Potsdam; second in Schwerin; third in Dresden; fourth in Weimar and fifth in Halle. Under present plans each of these groups will have attached to it one tank division and one motorized division. Groups will be divided up into divisions in accordance with plan which the Chancellor will shortly furnish us. Present strength is 50 to 60 thousand men, sufficiently trained to play definite role. Development of force has been impeded by desertions and lack of officers and NCO's. They have had real difficulty recruiting old soldiers. To compensate for this they are concentrating on young men and have established 15 training establishments for NCO's and officers. More are planned. Special training units already exist, and such special services as medical, engineer, staff and propaganda units. 12,000 *Volkspolizei* have recently been issued new field uniforms and they will be distributed to divisions in October. By 1951 there will be sufficient officers and NCO's to take care of at least 150,000 men. They are being indoctrinated with a sense of mission to liberate workers of Western Germany from Anglo-American and capitalistic oppression. Though not immediately capable of being put to use, their development is in straight line toward an East German army. Only retarding factor is scarcity of officers and NCO's. This gives us some time for counter measures.

As for Soviet forces, according to Chancellor's information, they are composed of 9 motorized divisions and 13 armored divisions. The south west army and the central army with headquarters respectively at Weimar and Magdeburg have now been merged, but possibly only for training purposes.

Chancellor's estimates German population's reaction to *Volkspolizei* attack under present circumstances would not be one of resistance.

They would be quite neutral. Confidence of average German in US military strength has been greatly shaken by Korean developments. Morale generally is low. Inner will to resist has been substantially reduced. They have not become Communists, but they have lost their belief in resistance, belief they once had largely because of assured strength of US. Chancellor referred to some demonstrations in Esslingen and Munich which he felt showed Communist strength in contra-distinction to police weakness, and again repeated his lack of confidence in police as they are now formed.

Although Soviet forces are definitely marshalled in East Germany in offensive form, as could be shown by a location map he gave us, he felt Soviets themselves would not attack although their divisions in East Germany are at war strength with full supplies ammunition and fuel. He was confident that Stalin's chief purpose was to get Germany with as little damage as possible and consolidate it with Russian strength to oppose US, and a destroyed Germany would be of less use to his purpose. It has been reported to him that Stalin has stated on several recent occasions that Soviets must gain Germany and gain it promptly. He feels that Stalin's objective is to hold back any Soviet attack until they have a good supply of atom bombs in hope that with this supply situation in atomic warfare will be neutralized in same manner gas warfare was in World War II, leaving them decisive preponderance in ground forces.

He feels that immediate danger is an attack by *Volkspolizei* and doubts whether the US would drop bomb on Moscow if all that were involved was situation similar to that in Korea. He made strong appeal for Allied Governments to display greater strength in Germany, to increase number of divisions immediately and to show their strength throughout Germany more than is now being done. More troops, more planes flying, and more troops and equipment should be in evidence to be observed by population. In addition immediate permission for Federal Government to build up a force adequate to meet the *Volkspolizei*. He has in mind 150,000 men, volunteers adequately armed. Call them police or what you will, but they must be a counter to *Volkspolizei*. He desires either formation this force or immediate and substantial increase in Western Allied forces. Perhaps combination of both would be best because of unfortunate aspects of Allies shooting Germans. Under present circumstances, he feels entirely helpless and incompetent to cope with situation and intensification of propaganda. Our last respite, according to Chancellor, is time necessary to train officers and NCO's for *Volkspolizei*. He concluded by saying he hated thought of re-arming Germany in any form, but that temptation must be removed promptly from the Soviets to get Germany without risking World War. Today, *Volkspolizei* strength

together with lack of strength in West made this possibility very strong.

As for European army, he said that he felt it was only eventual hope and that he would strongly support German participation in any such force, but as he put it "when will we get it?" He kept reiterating that any propaganda effort to be of any account depends upon a manifestation of strength.

Chancellor was obviously suffering from real anxiety, but was also engaging in his usual pressure tactics in my judgment.

His figures of Soviet and *Volkspolizei* strength do not differ widely from ours, but I doubt the accuracy of his judgment that the Soviets feel they could by use of *Volkspolizei* in Korean type attack avoid an all-out war. There is no question that country has lost some inner strength that in my judgment must be restored by new manifestation of Allied strength.[2]

In evening I saw Schumacher, and I will send you more detailed account of this conversation shortly. He played very "hard-to-get" in any form of cooperation, but stressed same point that Adenauer did about the collapse of faith in American military strength which World War II and airlift had generated in somewhat exaggerated form. He also felt this could be corrected by displays of added strength, but seemed to think that only evidence that amounted to anything was US manifestations.[3]

As for Soviet intentions, on which he usually is pretty good, he said to expect some real fireworks in Berlin during fall and winter. Soviet efforts will be more intensified, more determined, than *Deutschlandtreffen* episode of May.[4]

I am sending these doleful accounts only to give you immediate report of my conversations. Apart from the doubts I have heretofore expressed, my offhand estimates of Adenauer's appraisal of *Volkspolizei* strength and capacity is that he is rather building up their potentials, both as to objectives and timing. As usual, he is taking the whole thing purely from German point of view, without any consideration of other Soviet objectives or timing.

On the matter of the need for a greater display of Allied, and particularly US strength in Europe, I feel that he is right, and you will note this coincides with the views throughout AHC.

McCloy

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[2] For another report on this meeting, see Konrad Adenauer, *Memoirs, 1945–1953* (Chicago, Henry Regnery Company, 1966), pp. 274 ff.

[3] McCloy transmitted a lengthier and more detailed account of his conversation with Schumacher in telegram 1554, August 22, from Frankfort, not printed (762.5/8–2250).

[4] For documentation on the *Deutschlandtreffen*, see pp. 818 ff.

762A.5/8–2550 : Telegram

The United States High Commissioner for Germany (McCloy) to the Secretary of State

SECRET

BONN, August 25, 1950—6 p. m.

101. Had long session with Adenauer.[1] Took him to task for his two last interviews pointing out that public criticism of *Laender* governments and High Commission and playing up of eastern might versus western plight were only contributing to weakening West German morale and will to resist. Moreover that parallel approach to *New York Times*[2] and High Commission were scarcely the way to deal with serious problems at such a time as this, etc. He took it without any marked reaction. Informed him that talks in Washington, London, Paris with regard to European army and general defense problems were going on and much was being done particularly in the United States toward increasing western strength. In the meantime it was no time to increase the already anxious attitudes of the German people.

Adenauer replied that as early as last fall he had pleaded for German security before High Commission and received no responses, that London conference had produced no practical result.

I pointed out that London conference had resulted in statement, "attack upon Germany under present conditions equals attack upon US, UK and France". This most important and first time in our history that we had given such a statement.

Adenauer agreed but stated this guarantee not too highly regarded in Germany as they did not wish to be overrun by Soviets first and thereafter liberated by US. This would mean end of western culture and Communist revolutions in France and Italy would undoubtedly ensue.

I countered that there must be an end to this constant fear of mass attack and defeatism, that maybe they did not relish the idea of liberation after the event any more than we did the thought of having to liberate them but this statement was the best we would give. It remained a very significant pronouncement. It was now time for something besides disparagement of everything done and being done in the way of German protection and rehabilitation. I then asked him just what he did want and told him if this was made clear he could be sure we would examine any proposal seriously. He stated that he

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[1] The session began at 5:30 p. m. Earlier in the day at an executive session the High Commissioners had agreed that the question of German rearmament should be discussed by the Foreign Ministers at their meeting in September. The Commissioners also discussed various aspects of the police problem. (Telegram 92, August 24, from Bonn, not printed, 740.00/8–2450)

[2] In a *New York Times* interview on August 17, Adenauer had urged the creation of Federal defense forces equal to the Soviet Zone Peoples' Police and had called for the stationing of two or three more U.S. divisions in Europe. (*New York Times*, August 18, p. 10)

believes that Soviets will use eastern *Volkspolizei* to "liberate" Western Germany without involving their own forces; also that if we do not permit the Germans to arm, the Soviets after overrunning West Germany would put them into uniforms and force them to fight on their side. Adenauer proceeded to set forth his reasons for desire of strong police force. Details of this proposal outlined in informal memorandum which he submitted just before meeting and which we are air pouching.[3] His thinking has changed since *Times* interview as his people's police, army like proposals, ran into strong opposition from Poncet and Schumacher. Instead of heavy-equipped people's police, he now wants well-trained motorized federal police equipped with small arms, machine guns, mortars, et cetera. Along lines of *Schutzpolizei* under Weimar Republic. This force would serve for maintenance of inner order and would also be useful in international emergencies. He is still undecided on size of such force, has applications for 40,000. It may eventually run up to around 1,000,000. It is interesting that he stated this new proposal, contrary to the one in *Times* interview, would meet with Schumacher approval. Any regular military force he now wants only within frame of European army and defense.

What he asks would require constitutional amendment which he says he can get but it takes time to put this through Bundestag. In meantime as time is critical he wants Commission to declare an emergency and direct him from point of view of security and emergency to start creating this force acting under article 3 of occupation statute. Such action to be followed [by] ratification by Bundestag in 60 to 90 days. He speaks of guarantees to insure democratic character, etc.

He would also go ahead with 10,000 increase in *Laender* police and would ask for a reorganization of existing *Laender* police to make more efficient and cull out subversives.

Kirkpatrick has stated he strongly favors *Times* proposal as well as one earlier put forward by saying that our rejection of any contribution to a critical defense problem would be intolerable—that we are receiving some additional strength and getting it without conditions—later they may well insist on conditions or considerations from us before they will be prepared to do as much. He refers to fact

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[3] Not found in Department of State files; however, on August 29, Adenauer sent a similar memorandum, not printed, to McCloy as the Chairman of the High Commission with the hope that he would transmit it to the Western Foreign Ministers for consideration at their September meeting. It outlined the extent of forces in the Soviet zone and the weakness of police and military forces in the Federal Republic, requested again additional occupation troops and creation of a Federal police force (by amending the Basic Law if necessary); and repeated the Chancellor's willingness to contribute a German contingent to an international Western European army. (762A.5/8–2950) For a summary of this memorandum, see Konrad Adenauer, *Memoirs, 1945–1953* (Chicago, Henry Regnery Company, 1966), pp. 279–280.

that Adenauer is being criticized in a number of circles for failure to exact conditions before making his proposal.

Imagine French would still oppose because of federal aspect.

McCloy

762A.00/8–2950 : Telegram

The United States High Commissioner for Germany (McCloy) to the Secretary of State

TOP SECRET PRIORITY Frankfort, August 29, 1950—3 p. m.

1736. Personal for Byroade from McCloy.

1. Reference telegram 1346 [*1343*] and 1460,[1] without abandoning present objectives, we are intensifying present program against Soviet policy and activities and strengthening program for positive Western objectives. We strongly of opinion that program should be to greatest possible degree tripartite, and that Foreign Minister directive would be of great assistance in assuring correlated tripartite effort effective on all levels. In our working level dealings with both British and French, we feel lack common policy instruction within framework of which we all functioning.

2. Much, however, being done already. Entire HICOG headquarters has been devoting major efforts and attention to up-swelling anti-Soviet campaign, and through PEPCO and functional offices various projects have been launched.

(A) Unilaterally we are:

(1) Encouraging increased federal land pressure against Communist organizations in Western zone and more positive combatting of Communist propaganda;

(2) Encouraging more positive and effective action through trade unions; such as large-scale demonstrations and rallies planned for September and October;

(3) Supporting organizations of Soviet zone refugees and White Books on Soviet zone conditions. Kaiser Ministry being encouraged in plans for similar programs.

(4) Intensifying contact with publishers and other civic leaders, including youth and women leaders, with view to strengthening German anti-Communist propaganda effort;

(5) Sharpening tone and content of overt publications;

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[1] Neither printed; the former asked what steps McCloy had taken and what possibilities were available for HICOM in the area of psychological warfare in the Federal Republic; the latter assumed that the organization of HICOM limited McCloy in carrying out an increased political, psychological, and economic warfare program and that he would ask Secretary Acheson to discuss this with Bevin and Schuman with the idea of instructing the High Commissioners to take immediate measures to develop a joint program using all the facilities at their command. (511.62/8–1850 and 762A.00/8–350)

(6) Holding discussions with EuCom on psychological warfare plans.

(B) Bilaterally with British we are coordinating our public affairs and intelligence efforts. Public affairs has begun discussion with British parallel agency along lines Barret–Warner agreement.[2] Although British hampered by lack of personnel and funds, agreement on aims being worked out (will report further this effort).

(C) Trilaterally we are participating in:

(1) Activities against Communist press under Law 5 [3] coordinating tripartitely. This action being pushed aggressively and majority Communist printing plants now closed. Only three weeklies still appearing. Reports indicate loss of press seriously hampering Communist ability to organize mass activities.

(2) Preparation of tripartite regulation on control of incoming propaganda material from Soviet zone.

(3) In the programming field we are going as far as feasible at this time. Under policy guidance of PEPCO and CAFCO, all HICOG Offices Political Affairs, Intelligence, Administration, Labor, Public Affairs, etc., generally raising own sights. Plans and Policy Unit, Public Affairs, being charged with primary mission develop programs to be implemented through public affairs media, in maintaining close contact all functional offices HICOG concerned and with EuCom which will have representation in unit. German contacts this unit effectively being channeled through public affairs agencies as well as political liaison officers at federal and *land* level. Creation this Public Affairs Unit represents only partial response to obvious need rearrangement some of our intra-staff working arrangements. Planning this subject proceeding; will report further.

(4) All of above will, of course, require re-evaluation our budget and personnel situation. All functional offices working with Office of Administration on problem determining our requirements. Our specific recommendations will be sent as soon as possible. Wish point out, however, that we will need your backing and support for our forthcoming requests for money, slots, and experienced personnel.

(5) Recommend strongly Foreign Ministers consider desirability tripartite PW program with view toward providing over-all instructions requiring implementation to corresponding agencies three countries.

McCloy

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[2] The agreement under reference, presumably for cooperation between the public affairs offices of the British and United States High Commissioners, has not been identified further.

[3] For the text of Allied High Commission Law No. 5 on Press, Radio, Information, and Entertainment, effective September 21, 1949, see *Laws, Regulations, Directives and Decisions of the Allied High Commission for Germany, from September 21, 1949 to September 20, 1950* (Bonn-Petersberg, Allied General Secretariat, no date), pp. 11–14.

762A.00/9-150 : Telegram

The Acting United States High Commissioner for Germany (Hays) to the Secretary of State [1]

TOP SECRET FRANKFORT, September 1, 1950—4 p. m.

1864. High Commission met yesterday with Adenauer in executive session [2] and asked him to clarify his memo in regard to security measures. Adenauer stated that he was fearful of possibilities after October election [3] that Eastern Germany would be set up as satellite country with fictitious independent powers, that *Volkspolizei* would be developed into an important combat force and that East German Government would thereafter attack West Germany with the object of unifying all Germany under East German regime. He asked whether High Commission was able to give him positive assurances that in such a situation Allied forces would oppose the *Volkspolizei*. He was informed that the Governments had already declared that their forces in Germany would resist attack from whatever source, including attack by *Volkspolizei*. (It might be helpful in this connection if Ministers at forthcoming meeting could reiterate clear statement of this position to avoid any misunderstanding among Germans.)

Adenauer then stressed importance of psychological effect upon *Volkspolizei* if they were opposed by not only Allied forces but also by Western German forces and stated that if adequate German forces were established to counter *Volkspolizei* he believed danger of an attack from a satellite Eastern German Government might be averted. This was the major basis of his demand for a Federal police force. He also stressed the need for a Federal police force to combat Communism including FDJ and Communist inspired strikes. In his opinion, latter will increase. He cited Frankfort building strike as first example and alleged that Frankfort police are not affording adequate protection to workers who wish to remain on the job.

Discussion developed that Adenauer desires Federal police force with sufficient strength and type of equipment. He considered external security consisted of defense against Soviet aggression but that internal security included protection against any German threat, including that from East Zone. Consequently he was unwilling to separate his police needs for internal security and his need for force to oppose an attack from the *Volkspolizei*.

We inquired re political support for amendment to the constitution to permit the establishment of the type and kind of Federal police

[1] McCloy was in Washington for consultations on Germany.

[2] The executive session followed the 38th meeting of the Council of the Allied High Commission for Germany at Bonn-Petersberg on August 31, the minutes of which are in Bonn Embassy Files, McCloy Project: Lot 311: Box 358: D(50) 2086b.

[3] For documentation on the October 15 elections in the Soviet Zone, see pp. 942 ff.

force which he envisaged. The Chancellor claimed that he had the support of three coalition parties and the SPD. He hoped to gain support of other smaller parties later. He admitted that minister presidents of the *Laender* were opposed at present to this concept but he hoped to be able to convince them that such amendment was necessary and gain their support.[4] When informed by High Commission that it would be reluctant to use its reserve power under paragraph 3 of occupation statute for purpose of authorizing establishment of a Federal police force prior to the amendment to the constitution, Chancellor then agreed that under his present authorization of 10,000 *Laender* police, contingent measures should now be envisaged to set up schools, establish central direction and start recruitment. These measures could now be agreed without prejudice whether or not the force so recruited would ultimately be transferred into a Federal force or remain as *Laender* contingents available for Federal use in emergencies. In this discussion, François Poncet indicated that he would be prepared to authorize a major increase in the *Laender* force over the 10,000 now authorized.

In support of his request for a Federal police force as a counterforce to the *Volkspolizei* and to offset any propaganda that this was first step on the part of Federal Republic to establish national army, Chancellor stated that he was prepared to accept any necessary Allied controls over this force even to the appointment of Allied officers to positions within this force.

In concluding this phase of the discussion, the High Commissioners agreed to forward to respective governments Chancellor's security memo, copies of which were taken to Washington by Mr. McCloy.[5]

Discussion then turned to Chancellor's memo on revision of the occupation statute [6] and Adenauer was asked whether the first two of the declarations envisaged for NY in paragraph III of memo should precede the third which provides for progressive regulation of relations between occupying powers and Federal Republic by agreements. He said this was desire of Federal Republic since progressive regulations of these relations would take some time and require considerable negotiations. He explained that it would be extremely

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[4] Initial planning by the Germans for the police force had begun on August 4 at a meeting attended by representatives of the Western occupation powers. At this meeting a general proposal was made and subsequently discussed with the *Laender* Interior Ministers, who raised various objections and the necessity to amend Article 91 of the Basic Law. By September 1 agreement had been reached only that the *Laender* police must be reorganized to strengthen the powers of the Interior Ministers and to eliminate unreliable elements. Reports from Bonn on these developments are in files 862A.501 and 862A.511.

[5] Regarding Adenauer's security memorandum, see footnote 3, p. 711.

[6] For the full text of Adenauer's memorandum on the revision of the occupation statute, see Konrad Adenauer, *Memoirs, 1945–1953* (Chicago, Henry Regnery Company, 1966), pp. 280–281; for a summary, see the first editorial note, p. 765.

difficult to impose additional burdens on German people such as would be required for defense or participation in European army if they had no assurance that Germany was being received as equal partner by the western nations. He, therefore, urged that a decision of the Foreign Ministers in September and an announcement which could be understood clearly by the people were essential. As an example of this frame of mind, he said he was horrified to learn from the Ruhr that people were saying there that war between the US and USSR was inevitable but that they should have no part in it.

Kirkpatrick made considerable point of our rights to remain in Berlin which should not be prejudiced if state of war between Allied powers and Germany is to be terminated, pointing out our rights in Berlin grew out of the act of surrender. He considered that this however could be handled by some formula which would have practical effect of terminating war.

High Commission likewise agreed to forward occupation memo to respective governments (Mr. McCloy also has copies).

Chancellor was obviously impressed by article in *Die Welt* which purports to give Soviets' plans for peace with Eastern Germany (substance of article being sent separate telegram [7]) and asked Allies to pay particular attention to this program.

Adenauer seemed even more discouraged than at last meeting. This may be due to his concern over Communist-inspired strikes, continued reports of police ineffectiveness, his difficulties with *Laender*, his fear of what will happen in October and possible utilization by Soviets thereafter of satellite status of East Germany to precipitate civil conflict leading inevitably to third world war.

HAYS

[7] Telegram 1909, September 5, from Frankfort, not printed.

762A.5/9–450 : Telegram

The Chargé in the United Kingdom (Holmes) to the Secretary of State

TOP SECRET

LONDON, September 4, 1950—1 p. m.

1366. From Spofford [1] and Holmes. In a conversation which Spofford and I had with Bevin today, he read from a paper which had received Cabinet approval concerning the creation of a German Federal Police. The eight points covered were as follows:

1. The creation of a national German army should not be permitted.

[1] Charles M. Spofford, United States Deputy Representative on the North Atlantic Council.

2. Authority is given to approach US and French to obtain agreement for creation of a federal *gendarmerie* of 100,000 men on the model of the *Bereitschaften* and designed to meet any aggressive move by East German forces.

3. Increase Berlin police by 3,000.

4. Abandon entirely the proposal of creation of *gendarmerie* by *Laender*.

5. The auxiliary German formations now serving with British and US forces would be improved and reorganized.

6. Frontier and customs police would be improved and slightly expanded.

7. West Germany to make industrial contribution to Western strength.

8. HICOG to be authorized to discuss foregoing with Adenauer.[2]

Sent Department 1366, repeated Paris 385, Frankfort 207.

HOLMES

[2] In telegram 1480, September 8, from London, not printed, Embassy London reported that Sir Oliver C. Harvey, the British Ambassador in France, had given Schuman an oral message from Bevin along these same lines on September 7. Schuman agreed or raised no objections to Bevin's views except that he felt control of the police should be placed with the *Laender*. (762A.5/9-850)

740.5/9-550

The British Secretary of State for Foreign Affairs (Bevin) to the Secretary of State [1]

TOP SECRET PERSONAL

I am convinced that a real danger exists that we shall be faced, possibly in a few months' time, with a crisis in Germany similar to but more dangerous than that in Korea, arising from an attempt by the Russians, acting through the East Zone police, to drive us out of Berlin or to secure the unity of Germany within the Communist orbit.

I feel it is essential that we should examine this question at our meeting and I therefore ask you to consider the attached paper, the substance of which I am also communicating to M. Pleven. Our Chiefs of Staff point out that there is no visible way of providing the forces needed to defend the territories of the North Atlantic Treaty Powers without German assistance. His Majesty's Government are not however prepared at present to agree to the re-creation of a German Army. We do not wish to exclude eventual discussion of the incorporation of a German contingent in the Western defence forces if the United

[1] Attached to the source text were a note of transmission from Sir Frederick Hoyer-Millar, Minister of the British Embassy, to Acheson, and a similar memorandum from H. Freeman Matthews, Deputy Under Secretary of State, which indicated that Hoyer-Millar had left the note with him on September 5. (740.5/9-550)

States or French Governments should wish to discuss it but in our view there are certain minimum measures which should be taken without delay. These are summarised in paragraph 3 of the paper. The most important is the creation of a Federal Police Force for which Adenauer asked on 17th August. The size and armaments of such a Force are for discussion but it is important that it should be organised on a sufficiently centralised basis to enable swift and effective action to be taken in an emergency.

I have given much thought to the question whether the establishment of such a Force would provoke the very action we want to prevent. Unless we are prepared to ignore military opinion and to risk Berlin and even Western Germany being overrun, this danger must be faced some time. It is better to face it now when the *Bereitschaften* are less ready for action than they will be next year and in such a form as is least likely to provoke Soviet reaction. Moreover, the creation of a *gendarmerie* will take time. Until it exists and until we have reorganised the German auxiliary services, our forces would find themselves liable to be hamstrung in an emergency by loss of their essential services, and by having to devote themselves to suppression of Communist-inspired disturbances or cope with mass movements of refugees. Furthermore, unless we show now that we are prepared to face up to danger that stares West Germans in the face, we shall lose the confidence of the Germans and their morale may crack in an emergency.

The problem of the defence of Berlin may prove to be more urgent and to need separate action in advance of the other measures I propose.

[London?] 5 September, 1950.

[Enclosure]

Paper Prepared in the British Foreign Office

TOP SECRET [London,] August, 1950.

GERMAN ASSOCIATION WITH THE DEFENCE OF THE WEST

THE PROBLEM

In Europe the declared policy of the Western Powers has been

(1) to build up a position of strength in the West;
(2) to incorporate Germany into the Western system, eventually as an equal partner.

It was recognised that this policy could only be executed in the teeth of Russian opposition, but the risk was taken in the expectation that it would be possible in time to build up the necessary position of strength in the West. It was hoped to achieve this by the Brussels

Treaty and subsequently by the North Atlantic Treaty. Had this hope been realised, Western policy would be coherent and the prospects fair. But in the light of recent events the Chiefs of Staff have come to the firm conclusion (C.O.S. (50)305 of August 18th) that in fact we cannot build up the necessary strength to assure the defence of the territories of the N.A.T. Powers without the participation of Germany. The need to provide for adequate defence has been rendered more urgent by the circumstance that the rearmament of Germany has already begun in the Eastern Zone. There is evidence that the Russians are in process of converting the People's Police the *Bereitschaften* (Alert Units) into a highly-trained regular German Army of 150,000 men which is to include a number of armoured divisions. It is accordingly clear that provision will soon have to be made against an attack on Berlin or on the Western Zone by this new Germany Army. To meet the threat the Federal Chancellor in a conversation, on August 17th, 1950, asked the High Commissioners for authority to raise a special Federal force of 150,000 volunteers trained and equipped on the model of the *Bereitschaften*. In the paper of 18th August the Chiefs of Staff went further and recommended that the German contribution to Western defence should consist of local naval forces, a balanced Army of 20 divisions with a reserve of 10 divisions, a tactical air component of 1,100 aircraft, an air defence force of 1,000 fighters and a substantial anti-aircraft force equipped with guided weapons.

2. If the premise is accepted that the threat from the East is real and urgent and without Germany it cannot be met, the problem is to find the best method of associating Germany so far as this is politically and economically practicable with the defence of the West.

3. RECOMMENDATIONS

1. It should be recognised that it is not practicable at the moment to rearm Germany on the scale recommended by the Chiefs of Staff.

2. Nevertheless, the United States and French Governments should be urged to agree that the Federal Chancellor should be told in reply to his request that in view of the threat of an invasion by the Eastern German Army he may as a first step raise a federal force of 100,000 volunteers trained and equipped on the model of the *Bereitschaften*, the arms to be supplied by the Western Allies.

3. A similar force of 3,000 men should be raised in Berlin.

4. The proposal to create a *gendarmerie* on a *Land* Basis should be abandoned.

5. The auxiliary forces serving with the British and United States armies should be improved and reorganised in Units.

6. The German Frontier Customs Police Force should be improved and slightly expanded.

7. Germany should make an industrial contribution to Western strength.

8. The High Commissioners should be empowered to discuss the implementation of these steps with the Chancellor and with German representatives nominated by him.

4. ARGUMENT

[Here follow sections on the strength of the German forces in the Soviet zone, Soviet intentions in Germany, and the attitude of the Federal Republic on rearmament.]

11. But this does not mean that nothing can be done to strengthen Western defence from German resources. On the contrary, Germany could make a substantial contribution now. The Federal Chancellor has made a strong case for the establishment of a force of 150,000 volunteers to match the *Bereitschaften*. He professes to be confident that he can secure the assent of the Opposition and he also believes that he can raise 150,000 reliable volunteers. He may be unduly optimistic but he is a man of determination and of a certain political adroitness. In any event the initiative has come from the German side, and in their present situation the Western Allies would be taking upon themselves a serious responsibility if they rejected out of hand a proposal which would not only bring a considerable access of strength to the West but would tend to consolidate opinion both in Western Germany and in other countries in Western Europe in resistance to the East. Nevertheless, it is for consideration whether in view of French susceptibilities and of the difficulty of raising and arming a new force quickly it would not be better to fix the initial strength of the force at 100,000 men. It could subsequently be expanded if required.

12. The three Western Commandants in Berlin have recommended that in view of the threat of an attack by the Eastern German Army they should be authorised forthwith to raise three battalions of German *gendarmerie* in Berlin. They consider that such a force would constitute a valuable reinforcement of the Western Garrisons. It is recommended that they should be given the authority they require.

13. If the above steps are taken it would clearly be unnecessary and indeed wasteful to proceed any further with the makeshift proposal to create a force of 10,000 mobile police on a *Land* basis with a central inspectorate.

14. The improvement and reorganisation of the ancillary forces attached to the British forces has now become a matter of considerable urgency. This force was originally raised in order to economise British manpower and was organised on a military basis. In consequence of Russian representations the units were dissolved and the force placed on a purely civilian basis. As a result conditions of service have become so unattractive and discipline has so deteriorated that the force

cannot be relied upon in an emergency. If, as is feared, defections on a large scale took place on the outbreak of hostilities, the British Army would not be able to move. It is accordingly recommended that the proposals for the reorganisation and improvement of this force which are now before the Chiefs of Staff should be approved and executed without delay. Such measures would have the full support of the Chancellor and the Federal Government.

15. There is at present in the British Zone a force of some 4,000 German Frontier Customs Police, which is armed with rifles and patrols the frontier. This special police, if increased in strength and suitably trained, could perform a useful function as a covering force in an emergency. The Federal Chancellor has also indicated that he favours strengthening this force.

16. The supply of weapons to any German formations will have to be the responsibility of the Western Allies both on security grounds and because the Germans are not in a position to manufacture weapons in any measurable distance of time. But there is every reason to insist that, in addition to continuing to pay occupation costs, Germany should supply transport, uniforms, and equipment not of a purely military character. It is also for consideration whether the German Government should not be required to make a contribution of non-military equipment to the Western forces.

17. If these recommendations are approved, their execution will require the cooperation of the Federal Government, and it is accordingly essential that the High Commissioners should be empowered to discuss these matters with the Federal Chancellor and with German representatives nominated by him.

18. To sum up. The Western Allies are at the moment in a vicious circle. The French Government will not agree to any form of German rearmament until France is strong. But France will not make the effort to be strong unless there is a real prospect of assuring Western defence, which in turn cannot be done without a measure of German rearmament. It is clear that the vicious circle must at all costs be broken. Since there is no prospect of inducing the German at the moment to accept remilitarisation on the scale recommended by the Chiefs of Staff, a beginning should be made without any delay with the creation of the force demanded by the Chancellor and with the improvement of the British and United States ancillary forces. But there is little time to lose. The Eastern German Army has been in being for some time. If it would take 15 months to bring this Army to a sufficient pitch of efficiency to enable it to attack the Western Zones, it will require at least that time to train a new Western German force to play its part in repelling the attack.

862A.511/9–1150 : Telegram

The Acting United States High Commissioner for Germany (Hays) to the Office of the United States High Commissioner for Germany, at Frankfort

SECRET BONN, September 11, 1950—6 p. m.

157. Repeated info Department 138, Berlin 57.

1. Blankenhorn Monday informed liaison Bonn that Saturday [at] meeting of Chancellor with ministers president all agreed necessity (*a*) to reform and strengthen *Laender* police and (*b*) to establish a federal police. SPD ministers favor implementing (*b*) through amendment of constitution and thereafter a federal law. All other favored formation under item 10, Article 73,[1] thereby avoiding necessity of a constitutional amendment. Question was left open as Chancellor has not made up his mind.

2. Blankenhorn stated Chancellor and MP's except SPD all believe federal police should be capable of handling *Volkspolizei* aggression in whatever form. However, Chancellor fully stands by his two memorandums on police and their armament.[2] Blankenhorn stated repeatedly that police under memorandum limitations could not possibly be considered an army. He said, however, they might be used eventually as nucleus of German contribution to European defense force.

3. Blankenhorn confirmed that steps to train leaders of 10,000 *Laender Polizei Bereitschaften* are proceeding rapidly. However essential question of command control by Federal Government had not been discussed on Saturday. This question he said would be delayed pending outcome of CFM discussion. (See last paragraph Bonn's 149 Frankfort, 131 Department, 52 Berlin.[3])

4. Blankenhorn said he was hopeful that CFM would produce satisfactory solution of security question. Recent conversation with Bérard indicated positions are coming closer on command control question although French still insist on *Land* organization while Chancellor is equally adamant on need for complete federal control.[4]

HAYS

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[1] Under Article 73, Item 10, the Federal Government had exclusive legislation on the establishment of a Federal Office of Criminal Police and on cooperation between the Federal Government and *Laender* on criminal police.

[2] The texts of these two memoranda, which supplemented Adenauer's memorandum of August 29, were transmitted in telegram 122, September 2, from Bonn, not printed. They provided for a *Schutzpolizei* of 25,000 men armed with automatic hand arms, machine guns, grenades, and mortars. (862A.511/9–250)

[3] Not printed.

[4] In telegram 140, September 12, from Bonn, not printed, Hays reported that the French had a different report of the meeting from two Ministers-President who denied that they had agreed to the necessity of a Federal police force. Hays added that other sources confirmed this report, stating that the meeting was purely informatory with no agreements reached or sought. (862A.511/9–1250)

Editorial Note

At their meetings in New York, September 12–18, the Foreign Ministers of the United States, France, and the United Kingdom, agreed, *inter alia*, to increase and reinforce their forces in Europe, treat any attack on Berlin or the Federal Republic as an attack on themselves, and "permit the establishment of mobile police formations organized on a *Land* basis but with provisions which would enable the Federal Government to have adequate powers to make effective use of all or part of this force in order to meet the exigencies of the present situation." For further documentation on the Foreign Ministers meetings, including the text of the communiqué on Germany, see volume III, pages 1108 ff.

740.5/9–2350 : Telegram

The Secretary of State to the Acting Secretary of State [1]

TOP SECRET NEW YORK, September 23, 1950—8:49 p. m.

Secto 45. Re Secto 43.[2]

Following is text tripartite agreement on intermediate measures in Germany:

"In a joint meeting of the Foreign Ministers and Defense Ministers of France, the UK and the US it was agreed that certain minimum measures should be taken immediately in Germany as steps toward a fuller participation of Germany in the build up of the defense of Europe. These measures are as follows:

A. The immediate strengthening of the west German *Laender* police as agreed by the Foreign Ministers, to make them capable of preserving internal security against disorders or sabotage. They should be equipped with automatic hand arms, light and heavy machine guns, hand grenades, and mortars. They should further have light armored and engineer units with necessary equipment and should be fully motorized so as to insure sufficient mobility. In addition, they would be used in the event of any east German para-military attack.

B. Increase the strength and improve the quality, morale, discipline, and training of the 'Dienstgruppen' (labor service units). German personnel for these units should be selected with view to the formation of cadres for units up to a regiment.

C. Authorize the Allied High Commissioners and the military commanders to make additional use of German manpower as follows:

1. The establishment of sabotage security units for protection against fifth column activity and sabotage.

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[1] Secretary Acheson was in New York for the NATO Council meetings.
[2] Vol. III, p. 342.

2. The establishment of a civil defense organization which would provide for air defense and disaster plans and organization.
3. The establishment of a guerrilla warfare organization and the initiation of procurement of supplies for guerrilla warfare in Russian-held areas.
4. Authorize the organization of appropriate German engineer units to include minelaying and fortification construction units.

In addition, plans should be completed now for the eventual utilization for the benefit of the common defense program of the west of the industrial potential of western Germany in the production of finished light military equipment only, to include, subject to appropriate safeguards, such items as individual equipment, vehicles and transportation equipment, light weapons, and optical equipment. However, west Germany should not be restricted from producing (subject to existing agreements as to the production of steel) raw materials for fabrication outside Germany into heavy military equipment for NATO forces.

It is further agreed that, as NATO forces are equipped and deployed, the initial measures outlined above should be accelerated in order to more quickly attain the eventual objective."

Sent Department Secto 45. Department repeat Paris unnumbered, London unnumbered, Frankfort unnumbered.

ACHESON

762A.00/9–2550 : Telegram

The United States High Commissioner for Germany (McCloy) to the Secretary of State

SECRET FRANKFORT, September 25, 1950—9 p. m.

2572. Following Saturday's tripartite meeting I had a further conversation with Chancellor Sunday morning and reviewed in greater detail with him results of New York meeting.[1]

Adenauer said that increased garrisons promised by allies had already greatly enhanced sense of security among Germans who despite increase in occupation costs would welcome their presence. Some however feared more French troops would mean more Communists.

Re New York proposals for mobile police, Adenauer thought these could be worked out, although SPD would undoubtedly attempt to utilize this opportunity to increase powers of Bund vis-à-vis *Laender*. Chancellor did not consider that emergency within the meaning of Article 91 of constitution had yet arisen which would permit use of emergency powers of Bund. He was anxious to avoid use of these

[1] For a summary report of Adenauer's meeting with the Allied High Commissioners on September 23, see telegram 165, September 24, p. 657.

special powers since they could be terminated by simple majority of Bundesrat which is controlled by *Laender* and since his difficulties with *Laender* are not yet resolved. He believed, however, that terms of New York communiqué would permit measures necessary to create and maintain force without recourse to Article 91.

Chancellor then said he understood clearly the necessity of accepting responsibility for pre-war debts of Reich and did not believe this requirement would create difficulties in Bundestag.

In discussing possibility of future German contingents in European Army Adenauer said that, when François-Poncet had stressed to him privately on [Saturday?] that French public opinion must be given time to accustom itself to the idea, he had replied that public opinion Germany likewise presented problems. Although the Chancellor dismissed the idea that Germany might attach conditions to its participation such as recognition of equality of status, he admitted that total defeat and defamation of German military character had left deep marks here. In his opinion it would be necessary to place the rearmament of Germany in its proper relation to Europe as a whole and its defense. He said Germany must be told that best way to preserve peace is to create force strong enough to discourage aggression and that allies cannot make sacrifices for Germany's defense unless Germany itself is willing to contribute. If that approach can be made and Germany asked for a contribution, Chancellor felt there would be no trouble, except possibly from some elements in the Protestant Church such as Niemöller and Heinemann [2] who are insisting that Germany stand aloof from both west and east and take no measures for defense. Chancellor said it would also be helpful if, when the time comes, Germany could be told what specific contribution would be expected from it. It is apparent that Adenauer now desires initiative for German armed contribution come from allies.

Chancellor asked when training starts if a US General could be assigned here as adviser since German officers are no longer in touch with latest developments and will need guidance.

He reverted then to Heinemann's letter of resignation over rearmament issue. He said he had been most reluctant to accept this but felt it would not be delayed much longer as latter was pressing. He said Protestant Synod does not agree with Niemöller and Heinemann, but latter's influence could not be overlooked and it was important to avoid representing themselves as sole champions of peace in Western Germany.

Throughout conversation Adenauer seemed more confident than in recent talks and less inclined to attack conditions. No doubt that this

[2] Martin Niemöller, President of the Evangelical Church in Hesse and Nassau, and Gustav W. Heinemann, Minister of the Interior, both opposed a German contribution to a European Army. Heinemann tendered his resignation on this issue and Adenauer accepted it in October.

is partly due to turn in Korean campaign but I also believe security guarantee contained in communiqué exceeded his expectations. It may likewise have postponed demands for equality of status and reduced some potential objections to continued occupation. It is important, however, that new status be promptly defined and necessary agreements executed without delay.

Sent Department 2572, repeated information London 189, Paris 210.

McCloy

762A.5/9–2750 : Telegram

The United States High Commissioner for Germany (McCloy) to the Secretary of State

TOP SECRET PRIORITY FRANKFORT, September 27, 1950—3 p. m.

2612. Secto 45, September 24. I am disturbed by agreement that German *Laender* police are authorized to have engineer and armored motorized units and to be used against East German attack. If this is done they will tend to lose their police character and to constitute nucleus for German army separate from international forces. If implemented this measure seems inconsistent with decision not to create German national military force since it eliminates distinction between external and internal security forces which we had understood Foreign Ministers agreed to maintain. Moreover, in our talks with Chancellor and Ministers-Presidents we have sharply accented the separation of external security from internal security measures. It also compromises our propaganda against the East.

I assume immediate measures for utilization of German manpower were adopted as means of inducing French later to accept US proposal and have now received your 2313.[1] Until these measures can be presented to Germans as first step in agreed program looking to German integration in European defense systems, some of them are likely to undermine much of favorable impression created in Germany by NY decisions and delay achievement of US objective of obtaining German contribution to NATO.

If they stand alone they might be interpreted as implying Western intention to exploit German manpower and to delay German participation in wider defense scheme. Chancellor has several times in last two days expressed considerable concern over continuing reports in French press that US had accepted French thesis that German rearmament should be postponed, and implying that American position in New York had now gone into complete reversal. To approach Chan-

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[1] Not printed; it reported the tactical details that went into the drafting of the tripartite agreement on immediate measures to be taken in Germany. (740.5/9–2350)

cellor now with these suggestions except as initial step in an overall agreed program that included German participation in European army would serve to confirm his previously expressed fear that Germany is only to be given second or third-class accommodations. In my judgment we are compromising on dangerous ground when we put forward these halfway measures which play directly into hands of those in Germany who are striving hard to avoid any definite action aligning Germany with West. This group is very large—Heinemann, Noack, Niemoller are not isolated figures by any means. I repeat the real objective is not so much the number of German divisions which may be incorporated into European army but to help Germany from drifting to neutrality or worse.

I therefore urge that Allied planning under C proceed but further approach to Germans be postponed until question of German participation in European defense settled in principle.

Department pass New York priority, sent Department 2612, repeated info USUN New York 3, London 192, Paris 213.

McCloy

762A.5/9-2750 : Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfort

TOP SECRET Washington, September 29, 1950—6 p. m.

2459. Personal for McCloy. Fully appreciate concern expressed in your 2612 regarding intermediate measures to be taken in Germany.

Believe it important that you understand motives involved in the presentation and adoption of these intermediate measures:

As Gen Marshall, after taking office,[1] only had few hours in which to prepare for a meeting in N.Y. and the only proposal on this subj he had before him was the ultimate objective of German divisions and possibly Army Corps, he asked the Chiefs of Staff to provide him most informally with some suggestions for initial measures leading up to ultimate objective above referred to. The Chiefs hurriedly considered the matter and reached him in NY the next morning immediately prior to opening of the conference with these suggestions. After complete stalemate with regard to German armament foll an all day conference, Gen Marshall met with Shinwell and Moch,[2] explained frankly the basis for these suggestions and got their immediate agreement. Mr. Schuman then was apprised of the matter by Moch and at re-opening of discussion late in the day, these intermediate measures

[1] George C. Marshall had been sworn in as Secretary of Defense on September 21.

[2] Emanuel Shinwell, British Minister of Defence; Jules Moch, French Minister of National Defense.

were adopted. Later they were cut by French Drafting Comite and the foll morning most of the cuts were removed and a basis was found for an agreement in principle pending the necessary arming of German units.[3]

It was not intended that these were measures to be undertaken in the next week, we might say, but they were considered initial measures and presented as a means of breaking the stalemate.

In carrying out provisions of this agreement you are authorized, pending the time when question of German participation in the integrated force is publicly settled, to confine your activities to planning on those provisions on which you consider approach to the Germans wld [not?] prejudice our objective of obtaining whole-hearted German support for participation of German army units in the integrated force. We are prepared take this matter up on governmental level if you desire but believe in view of discussions in NY that you will have little difficulty in persuading your colleagues to follow a similar course. As you know from previous messages, we are proceeding on assumption that agreement in principle on the larger question will be obtained from Fr Govt prior to meeting of DefMins on Oct. 28.[4] It is most important that we receive your recommendations well prior to that meeting on the practical measures which shld be taken in Germany towards the creation of German army units in light of the progress you have been able to make on establishment of Garde Mobile, the progress that has been made on implementation of Agreement in Secto 45, and the general political conditions prevailing in Germany at that time.

The first point you mention, that is the use of the German police in event of East German para-military attack, was discussed in tripartite drafting session. Our explanation of last sentence of Para A in Agreement was to effect that we were not attempting to build up *Laender* police so that they cld be employed in a direct military manner to meet attack. It was rather our intention by this sentence that the police wld have previously assigned missions in event of an attack. This cld include such matters as preparation for demolition, protection of line of communication activities, handling of refugees, etc. behind the lines.[5]

ACHESON

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[3] Attached to the source text was a memorandum by Byroade, dated September 29, not printed, which indicated that the first three paragraphs had been drafted by Secretary Marshall, who had cleared the whole cable.

[4] For documentation on the NATO Defense Ministers meeting on October 28, see vol. III, pp. 1 ff.

[5] In telegram 2807, October 4, from Frankfort, not printed, McCloy advised that this telegram gave him "sufficient leeway for immediate future, but feel certain that in order to obtain our objectives we must keep clear distinction between internal and external security measures for many cogent reasons." (762A.5/10-450)

762A.5/10-1450 : Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfort [1]

TOP SECRET WASHINGTON, October 18, 1950—5 p. m.

2902. Dept has been giving serious consideration to problem of extent and timing of permission for Gers to manufacture certain ordnance items, particularly in light Bonn's tel 221 Oct 14.[2] We agree with viewpoint expressed in last sentence reftel. Our view is that possible production of ordnance items shld depend entirely upon integration of Ger into western defense plans. Such integration will in itself give us certain increased security re Ger and we cld with greater security permit Ger production of certain types arms. This view is entirely in accord with both ourtel 2459, Sept 29 and last para urtel 2612, Sept 27 which urges Allied planning proceed but approach to Gers be postponed until question of Ger participation in Eur defense is settled. If, however, plans for Ger mil integration do not proceed as contemplated or are not accepted by Gers, we wld have to reconsider problem although inclined believe it wld be wiser to permit no manufacture of ordnance items.

This is again case of road from which there is no turning back once we have embarked on it. We believe that in absence Ger mil integration we shld keep Gers dependent on West for supplies of such arms as police forces may require.

In this connection we were surprised at your mortar proposal, especially as regards size.[3] We are aware of course that mortars were specifically mentioned in N.Y. agreement reported in Secto 45. This however was in context that Ger police wld be utilized as stepping stone to Ger units which we have desired to avoid and was one reason we sought agreement in Wash for allowing discretion and flexibility in implementation as reported in ourtel 2459. Unless you consider mortars of this size to be useful and essential equipment for new police formations along lines of 30,000 agreed in N.Y. suggest at this stage in confusion over method of bringing Ger into integrated force that it wld be better to delay on procurement from any source of this weapon.

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[1] Repeated to London as Tosig 164.

[2] Not printed; it transmitted Adenauer's list of weapons for the new mobile police including pistols, automatic rifles, machine guns, and mortars. The HICOM security committee had agreed to ask their respective governments to examine this list to see if the weapons could be manufactured locally or should be purchased abroad, and McCloy concluded that:

"authorization for German arms manufacture should not be determined merely in relation to police equipment but in connection with broader issue of German contribution to European defense on which we recommend discussion in HICOM be avoided at present stage until further progress made by Defense Ministers." (762A.5/10-1450)

[3] Calibre 8 and 12 centimeters.

It will be evident that we fully agree with recommendations of HICOM Security Comite that Gers shld not be required to purchase police equipment abroad if decision is made to permit Gers to produce for their own or fon order similar equipment.

Do not have immed answer question reftel re possibility supplying required item from US stocks. Investigating and will advise separate tel.[4]

ACHESON

[4] In telegram 2903, October 10, to Frankfort, not printed, McCloy was advised that there was little likelihood that any of the items on Adenauer's list were available from U.S. Army stocks (762A.5/10–1450). Subsequently Bonn reported that the Security Committee had refused to permit mortars for the Federal police and had refused also to require the procurement of arms from abroad. Telegram 229, October 20, from Bonn, not printed (762A.5/10–2050).

862A.511/11–750: Telegram

The United States High Commissioner for Germany (McCloy) to the Secretary of State

SECRET PRIORITY FRANKFORT, November 7, 1950—4 p. m.

3810. For Byroade. I had lengthy conversation with Chancellor.[1] Adenauer was somewhat disturbed by his reception in Stuttgart November 4 where for ½ hour he had been prevented from speaking by Communist hecklers. He attributed blame to ineffectiveness of police, and expressed belief police and mayor of Stuttgart having been influenced by resurgence Communist efforts were inclined not to take strong measures as form of re-insurance. This later trend is again reappearing.

In response to my query concerning Soviet note,[2] Chancellor was non-committal but said we should not give it too much importance as this would serve only to strengthen its propaganda impact which should be countered. He said that as a counter to Soviet propaganda he had used in Stuttgart to good effect a list showing territories annexed by the Soviets since 1939. He has promised to furnish me promptly a memo giving his further considered views on the Soviet note.

Although he was critical of Schumacher and SPD stand concerning German defense possibilities, Adenauer said he had been reassured by a meeting with Protestant bishops of south Germany who reported that the church was emphatically opposed to Niemoeller. Chancellor is meeting with Government coalition leaders prior to Bundestag debate and expects them individually on behalf of each of the coalition parties and in the name of federal government to make a declaration setting forth Germany's willingness to contribute to European defense.

[1] The conversation took place in Bonn during lunch on November 6.

[2] For documentation on the Soviet note of November 3, proposing a meeting of the Council of Foreign Ministers, see pp. 902 ff.

Chancellor explained that such declaration without awaiting any approach by the Allies seemed necessary at this time in order to clarify confused German thinking. He believed, if debate took this turn, it would be difficult for the SPD to take opposite stand.

In discussing Pleven plan,[3] Chancellor stated that French had erred in insisting that this plan, which however had long-range possibilities, be adopted as present solution for defense requirements. When he asked what he might do to bring about greater understanding with French, I asked in turn whether he had considered possibility of meeting with Schuman and Pleven. Chancellor did not reply directly to my question but indicated that the signature of Schuman plan[4] was urgent and that this would make possible solution of other problems. In his opinion there were only two questions which remain open and which are delaying prompt agreement upon the plan. The first relates to "transitional period" during which Germany will be required to make certain payments but which he did not feel raised great difficulties. The second, which is more important, relates to future of Ruhr statute. Although Adenauer said that Monnet had originally agreed there would be no need for Ruhr statute after conclusion of Schuman plan, French were now unwilling to do more than give assurances, once Schuman plan has been initialled, to use good offices to eliminate Ruhr authority when Schuman plan ratified. Adenauer explained it was politically impossible for him to sign or initial Schuman plan unless he can have a definite undertaking that Ruhr authority would disappear when Schuman plan enters into force. We suggested that in agreeing to Schuman plan, he might do so with reservation to take care of future of Ruhr authority thus enabling French Government to obtain consent of other signatories to this step as soon as Schuman plan comes into effect.

Chancellor regretted recent outbursts concerning occupation costs, necessity for increase of which he recognized, and undertook tone down future discussions on this subject.

In conclusion he expressed concern lest new developments in Korea might delay arrival of additional US forces and urged that no public statement be issued which might indicate any delay in their arrival or reduction in their number.

My conversation with Schumacher followed.[5] I took occasion throughout our lengthy talk to review US position and to explain our objectives in creating European defense capable of acting as deterrent to Soviet aggression, stressing the importance of including Germany in this force in such a way as to avoid creation of national army or revive General Staff. I said I had been somewhat confused by the

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[3] For documentation on the Pleven plan, see vol. III, pp. 403 ff.
[4] For documentation on the Schuman plan, see *ibid.*, pp. 691 ff.
[5] At 4:30 p. m.

present SPD policy which seemed entirely negative and pointed out we could not accept their constant insistence upon new conditions for German contribution. Moreover it was intolerable for them to suggest that the US was trying to exploit Germany rather than to create a defense force adequate to protect the freedom of all. I said US had given evidence of its sincerity in the past and asked for clarification of SPD policy.

Schumacher said he had fully explained his position and that of his party in our conversation on August 17 (see mytel reporting that conversation [6]) when he had insisted upon the creation of a force sufficiently strong to take offensive in event of war as a condition for any German participation. Although I pointed out that if German contribution could only be made to a force strong enough to insure defeat of Soviet Union such contribution would not then be needed, Schumacher insisted that Germany should not be called upon to cover Allied retreat or to court sure disaster by participating in a weak force. We discussed this point at length and Schumacher continued to maintain his rigid insistence that Germany could only contribute when the European force had been made strong enough. I pointed out that it was unreal for him to insist upon this prior condition and to refuse to make any contribution until Germany's position was secure.

Schumacher then insisted that Germany's capacity to carry burden of increased occupation costs should be reviewed since severe charges imposed upon its economy by social burdens imposed on account of war damages, by necessity rebuilding bombed destroyed cities, by excessive refugee costs were heavier in proportion to similar burdens of other states and should be calculated when estimating Germany's possible defense contribution. Although other countries might be able to support defense expenditures amounting to 10% of their national income, Germany, particularly in view of its present government's reckless economic policy, could not meet any such requirement. He developed this theme at considerable length, arguing for special treatment for Germany but also suggesting a study should be made of additional charges which Germany will be expected to meet so that sum total of increases could be considered in relation to their impact on German economy.

Schumacher was particularly critical of Moch, Pleven and the Schuman plan, insisting that the primary objective of Pleven's proposal was not the creation of a true international army but to give French control over any European force.

When I asked for his views re Soviet note he replied that from point of view of Germany Soviet proposal and Prague declaration [7]

[6] Regarding McCloy's conversation with Schumacher on August 17, see telegram 1479, August 18, p. 706.

[7] For the principal provisions of the statement issued at Prague, October 21, see the editorial note, p. 665.

were completely unacceptable basis for discussions of Germany. On other hand from point of view of world situation he thought it would be a mistake to refuse to talk particularly if issues other than those involving Germany alone could be included. He did not expect any such conversations would procure relaxation on intention [*of tensions?*] but that they would demonstrate continued western readiness to reach peaceful settlement.

I gained impression at end of our 2½ hour conversation Schumacher was less rigid in his approach to question of German contribution to European defense but gave no assurance he would modify position of party particularly in forthcoming debate. On other hand presence of Ollenhauer [8] during talk may have been helpful in providing another channel for explanation US views to party members.

Sent Department 3810, repeated info London 269, Paris 326, Bonn 71.

McCloy

[8] Erich Ollenhauer, SPD Bundestag member.

862A.501/12–1950 : Telegram

The Acting United States High Commissioner for Germany (Hays) to the Secretary of State

CONFIDENTIAL Frankfort, December 19, 1950—8 p. m.

5092. Reference HICOG Frankfort 407, December 6 and Department 4310, December 14.[1]

In attempting establish force in *Laender* as authorized New York decisions subject to use by Federal Government under Article 91 Basic Law, *Laender* not able to fully finance and Federal Government (Finance Ministry) unwilling to finance unless Federal Government had substantial powers and controls. Administrative agreement between *Laender* and Federal Government gave substantial powers to Federal Government including taking over immediate and continuing operation of total of 1800 men (later to be extended to full 25 percent of force of 10,000 or 30,000, which ever strength eventually adopted). This (and perhaps some other of the rather broad federal powers) obviously not constitutional since no present or continuing emergency as visualized in Article 91 exists. Doubtful whether this immediate assumption of control was contemplated by New York decisions which

[1] Neither printed; the former transmitted the texts of amendments to Articles 73, 87, and 91 of the Basic Law about which the Bonn political leaders were anxious to obtain the reaction of the High Commission and the Department of State; in the latter the Department stated that the intent of the Federal Republic was unclear, but it seemed that the Federal Government was again attempting to create a Federal police force, this time by constitutional amendment. (762A.00/12–650 and 862A.501/12–1450)

authorized *Laender* to maintain 25 percent of forces in state of readiness. *Laender* objections to the administrative agreement were based on objections to these powers which they consider unconstitutional. NRW [2] accepted agreement with understanding any forces stationed NRW—specifically in Bonn area—would be under NRW control and not federal control except when action taken under Article 91. Niedersachsen Bremen and Hamburg have not accepted agreement. SPD and other parties insistence on amendment Basic Law based on conclusion Federal Government could exercise no power or control over forces under present provisions Basic Law until actual emergency justified under Article 91.

As foregoing indicates, intention of Federal Government in amending Basic Law is to enable creation of completely Federal mobile police force instead of creation of *Laender* forces authorized New York decisions. Size and deployment would be at discretion Federal Government, and use made of force would be decided by Federal Government even to extent intervention *Laender* affairs when emergency was imminent but when no real emergency existed. However this action must be discontinued at any time on the demand of the Bundesrat.

It may be noted that there has been less insistence upon urgency of need for special internal security forces since *Laender* police demonstrated their adequacy to combat communistic inspired disorders during September–October period, and since serious discussion creation German military forces. Also related to this question is intention of Federal Government to create Federal border police of possible 25,000 strength with responsibility of controlling illegal border crossing and any disturbance threatening security in the border areas. Creation of federal border police force was contemplated in Basic Law Article 87 and in allied letter approving Basic Law.

Federal Government continues insistence on necessity providing its own protection, free of dependence upon *Laender*, for the seat of Federal Government, Bundestag and Bundesrat, and President. We see no objection to constitutional amendment authorizing small federal police force for this purpose or giving this responsibility to the proposed federal mobile force.

We agree with viewpoint that constitutionality of present arrangements for *Laender* mobile forces open to serious question. We also agree with viewpoint that forces capable of being effectively used by Federal Government in real emergency not likely to be provided by *Laender* because of difficulty in financing and because probable reluctance of individual *Land* to relinquish control to Federal Government.

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[2] Nordrhein-Westfalen.

We favor Allied agreement to constitutional amendment which would authorize creation of a federal force which would have no normal police or law enforcement functions and no police powers except that of arrest where force authorized to act, which would not be used to augment or replace normal police in *Laender* except upon specific request of *Land* concerned or when federal intervention is justified by catastrophe or existence of disorder constituting actual threat to security of Federal Republic, and its use under such circumstances to be limited to period of emergency and subject to discontinuance on order of Bundesrat.

Amendment proposed by Federal Government would not be entirely acceptable since it does not contain all the restrictions we consider desirable.

Question confronting HICOM is whether need to resolve dispute over establishment emergency police forces is great enough to outweigh the previous decision taken at New York not to approve establishment federal force. In our opinion it is and subject to the Department's approval we propose seek tripartite agreement to notify Federal Government in what respect the constitutional amendment must be changed to contain safeguards discussed above in order to meet Allied approval.

Question then must be answered whether if suitable changes not made HICOM will disapprove amendment or accept in present text. In event Bundestag unwilling to accept proposed changes HICOM could still insure desired safeguards while approving present text amendment by issuance letter of instructions based on reserved powers in security field which would be binding on German authorities as long as reserved powers continue in effect. We recommend this course as alternate.

Sent Department 5092. Repeated information Bonn 121.

HAYS

862A.501/1–651 : Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfort

CONFIDENTIAL WASHINGTON, January 6, 1951—4 p. m.

4706. For McCloy from Byroade. Urtels 5314, Dec. 29 and 5092, Dec. 19 and Deptel 4511, Dec. 22.[1] Have been giving much thought to

[1] Telegram 5092, *supra;* telegrams 4511 and 5314, not printed; the former stated that the factors given in telegram 5092 were not sufficient to justify reconsideration of the Foreign Ministers decision against the establishment of a Federal police force; in the latter McCloy asked whether the Department of State wanted more information or had decided to have HICOG reject the constitutional amendment. (862A.501/12–1450 and 2950)

police question. On one hand Gers appear to be attempting flout NY FonMins decision re police by amending Basic Law to enable creation of Fed mobile police, using as excuse fact Fed Govt and *Laender* cannot agree on administrative arrangements to put into effect terms of NY agreement.

On other hand, NY terms may be so impracticable that we shld never have expected Gers would be able work out details. If so, we wld appear to be faced with decision whether to (1) allow creation Fed force contrary to NY agreement (with safeguards such as you mention urtel 5092) in order provide Fed Govt with protection it wants or (2) limit authorization to terms NY agreement, thereby perhaps making impossible formation of any unified mobile force other than *Laender* forces.

Adenauer's attitude as described urtel 5382 [2] indicates he is set on Fed force under exclusive Fed control. Not clear whether he is thinking of it as nucleus of future German army, for increasing own hold on Gers, or for protecting self and govt. Neither reason by itself appears adequate justification for reconsidering NY decision. However, fact that not only Fed Govt but also SPD and some *Laender* govts seem to want Fed police creates difficult problem.

Furthermore, Brit definitely favor formation Fed Police and Fr may well be prepared buy it. Thus, if US remains adamant against such action we wld be alone in sticking by NY decisions.

Am not sure that Gers have made all possible efforts reach agreement on basis NY decisions although you, of course, wld be better judge of this than we. Also, does not appear that conditions have so changed since Sept. as to warrant reconsideration NY decision. Therefore, wld be very reluctant agree to constitutional amendment quoted Bonn 363 [2] which wld permit Fed Rep exceed authorization granted NY decision (Doc. 37 [3]). No objection to Gers attempting clarify legal status police by constitutional amendment which does not give Fed Rep more authority than contemplated Doc. 37.

In view of above, shld you not in concert with Fr and Brit, advise Adenauer that we do not object to constitutional amendment so long as it does not give Fed Rep more authority than contemplated NY decisions and tell him and *Laender* Presidents once more that they shld make earnest efforts work out administrative problems. He could also be told that we have no objection to constitutional amendment permitting creation of limited special Federal force (say not to exceed 2000) for use solely to maintain order in Bonn enclave (or any other seat of Fed Govt.). In addition, cld be suggested that Fed legis defining more precisely "emergency" referred to in Art 91 of Basic Law,

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[2] Not printed.
[3] For the text of Document 37 Final, see vol. III, p. 1286.

add procedures for acting thereunder, wld be useful advance measure. Further, we wld not object to increases in *Land* police as such, if additional numbers are felt necessary. We note too that Fed Rep plans border control force of 25,000, which would increase security factors.

If Adenauer still insists that despite all these possibilities and plans, Fed Rep must have authority to establish force under its exclusive control, it seems to me we shld agree only (1) if we are all convinced that N.Y. decisions were in fact unworkable and (2) that immediate establishment mobile police regardless of basis of authority so urgent that we must agree to Ger demands for Fed police in order to end delay. Your 5092 indicates need for special internal security forces may now be less urgent now than in Sept. All in all it seems to us Adenauer's arguments are becoming less convincing than earlier since all efforts should now be devoted to bringing Gers into defense effort which wld provide much greater security than any police force.

Wld greatly appreciate ur reaction to above.[4]

ACHESON

[4] In telegram 5743, January 12, from Frankfort, not printed, McCloy expressed his general agreement with these views and stated that he would "seek British and French approval to advise Adenauer that we believe presently proposed constitutional amendment undesirable but that no objection would be made to constitutional amendment which would give Federal Republic as much authority as that contemplated in New York Document 37." (862A.501/1–1251)

PARTICIPATION OF THE UNITED STATES IN THE WORK OF THE INTERGOVERNMENTAL STUDY GROUP ON GERMANY AND RELATED ACTIVITIES: REVIEW OF THE OCCUPATION STATUTE, THE AGREEMENT ON PROHIBITED AND LIMITED INDUSTRIES, AND VARIOUS LEGAL AND TECHNICAL PROBLEMS RELATING TO GERMANY; DEVELOPMENT OF THE IDEA OF "CONTRACTUAL ARRANGEMENTS"

Editorial Note

In point 3 of their Joint Declaration on Germany on May 14, the Foreign Ministers of France, the United Kingdom, and the United States agreed to establish an Intergovernmental Study Group on Germany (ISG or ISGG) to review the Occupation Statute and make recommendations on eliminating inconveniences in the countries concerned arising from the continuation of a state of war. The terms of reference for this group, set forth in MIN/TRI/P/12 Final, dated May 22, were to examine and report on the following questions:

"1. Review of the Occupation Statute.

2. The status of pre-war treaty obligations of the former German Reich.

3. Plan for handling outstanding claims against Germany and Germans (including pre-war and post-war claims as well as those arising

out of the war) and other economic and legal issues arising out of the war.

4. Termination of the State of War.
5. Implementation of Articles 18 and 19 Ruhr Agreement.
6. Definition of German cooperation required to warrant relinquishment of controls.
7. Such other problems as may be referred from time to time."

In performing its task the ISG was to be guided by two principles: "1. The Ministerial decisions on policy towards Germany. 2. The political importance of finding a method by which the Federal Government may assume in a suitable proportion the obligations of the former German Reich, together with any connected rights." For the full text of the Joint Declaration on Germany, see MIN/TRI/P/13, May 7, volume III, page 1086; a copy of the terms of reference for the ISG is in file 396.1–ISG/6–250.

396.1–ISG/6–1250 : Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfort

SECRET WASHINGTON, June 12, 1950—8 p. m.

4182. Since the return of the delegation from the London conference,[1] we have been considering work which is to be done by the Intergovernmental Study Group on Germany. The group will begin its work in London with Ambassador Douglas as the U.S. representative, presumably on June 26.[2]

A number of papers on the various matters which fall within the terms of reference of the Study Group are in preparation within the Dept. The purpose of this telegram is to indicate the gen lines of the Dept's thinking on this work and solicit your comments.

It is our view that the work of the Study Group shld be conceived primarily in terms of determining the manner in which the position of Germany and Allied relations with the Germans can be prepared for the next major changes in the development of our German policy. In accordance with the decision of the Ministers conference, we must look forward to a further relaxation of our controls over German affairs. The manner in which this relaxation will take place, and the extent, speed and direction of the changes are one of the most important tasks within the terms of reference of the Study Group. Conclusions which may be reached on this subject will depend in part upon an analysis of what we are doing in Germany and the success which

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[1] For documentation on the London Foreign Ministers Conference, May 11–13, see vol. III, pp. 828 ff.

[2] The opening meeting of the ISG was subsequently delayed until July 3, at the request of the French.

we are having in obtaining our objectives. They will also depend upon developments in the coming months, notably the course of the negotiations of the Schuman proposals,[3] the entry of Germany into the Council of Europe and other events which will have an important bearing on the general political atmosphere in Europe and on the state of mind of the Allied countries with regard to changes in the German position. Possible Soviet moves will also affect our thinking.

It is our feeling that care must be taken in the conduct of the negotiations to avoid taking positions too soon and therefore freezing separate national views prematurely. We are therefore inclined to favor the devotion of the early part of the summer to an analysis of the problems involved in relaxing controls without an attempt to reach definitive conclusions. This analysis shld, in our judgment, be conducted by the High Commission. Our ideas as to how it shld be developed are indicated in more detail below.

Whatever the decisions may be with respect to the controls over German internal affairs, it seems clear that we must look forward to the resumption of the conduct of foreign relations by the Germans. This will presumably be closely related to the termination of the legal state of war. Our present thinking does not contemplate the possibility of the abandonment of Allied controls in the field of foreign relations, although the Germans wld be allowed to conduct their foreign relations directly. This wld assure HICOM review of bilateral and multilateral agreements concluded by Germans and execution of agreements made by the Allies on behalf of or binding Ger.

Subject to these reservations, however, which wld be designed partly to protect our position respecting the ultimate peace treaty and partly for other reasons, the Germans wld in fact necessarily have extremely broad latitude in the determination of their foreign policy and with respect to a variety of matters of great interest to the Allies. The reemergence of Germany on the international scene and its participation in international organizations to the fullest extent possible requires (when taken in conjunction with the termination of the state of war) a prior determination on numerous matters affecting German relations with the Allies. The legal status of Germany's prewar treaty obligations must be determined. The status of the financial obligations of the Reich and the question of claims against Germany must be considered. Eventually these matters will probably have to be the subject of agreements with the Germans.

These questions raise the issue of the status of the Federal Republic both as an entity in international life and in its relation to the former Reich. While we are bound to maintain the position of Allied supreme authority and while we cannot take any position which admits

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[3] For documentation on the Schuman plan for pooling iron and steel production, see vol. III, pp. 691 ff.

the legal division of Germany, we must evolve concepts which will permit the Federal Republic to function effectively in international relations as the only government with the right to speak for the German people.

These subjects cover items 2, 3 and 4 of the Terms of Reference of the Study Group. It is our view that discussion of them shld center in London. However, the work on them will have to be conducted in close consultation with the High Commission.

The Prohibited and Limited Industries Agreement is not specifically mentioned in the Terms of Reference of the Study Group but we have considered it to be covered and will press for its review by the Group. The question of the steel level of production has already been referred to the High Commission for study. Of the other subjects which wld come up for review the question of shipbuilding is most urgent. This question cld be most usefully discussed in London. We therefore believe that the center of these discussions shld also be in London, again with appropriate assistance from the High Commission.

How to deal with Articles 18 and 19 of the Ruhr Agreement is something of a puzzle.[4] While the formal French position is that the Ruhr Agreement remains unaffected by the pool proposal, it is obvious (and the Fr have admitted privately) that IAR will be superseded by new authority. Informal discussion in London with Fr Foreign Office representative who handles IAR indicated he saw no purpose in discussing Article 19 until course of Schuman proposal discussion becomes clearer. He thought Article 18 cld be considered. If IAR eventually disappears and economic functions envisaged by Ruhr Agreement are included in new coal and steel authority, question remains as to what will happen to other parts of Ruhr Agreement such as Article 18. We believe the problem of how to prevent new excessive concentrations in Ruhr industries might be discussed in subcommittee established by Working Group. Such a discussion wld throw light on control problems involved and provide useful material in making ultimate decision as to what shld be done regarding Article 18 functions, which, of course, do not have to go to IAR. This study cld be conducted by three IAR representatives as members of subcommittee, with assistance of HICOM staffs. Study of Article 19 shld clearly be deferred.

The Study Group is also charged in Item 6 of its Terms of Reference with considering what German cooperation is required to warrant relinquishment of controls. To the extent that this cooperation can take

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[4] Article 18 dealt with the transfer of powers from the Occupation Authorities to the International Authority for the Ruhr, or its successor, or to some other body created by international agreement; Article 19 dealt with powers of the Occupation Authorities over the direction and management of the Ruhr coal, coke, and steel industries. For the full text of the Agreement establishing the International Authority for the Ruhr (IAR), see *Foreign Relations*, 1948, vol. II, p. 285.

the form of agreements for the settlement of problems arising out of the war and undertakings to execute measures in Germany directed to accomplishment of Allied objectives, this study can be readily undertaken by the Study Group in cooperation with the High Commission. There are, however, broader aspects of this question which cannot be considered entirely satisfactorily from the viewpoint of Germany alone. When the entire report of the Study Group is available, and when the developments of the coming months with respect to association of Germany with Western organizations are in fuller view, we will still have to consider the adequacy of all of these measures as a framework for increasing association of Germany with the nations of the West. We believe that the report of the Study Group may be able to throw light on this problem but we are not entirely certain that the problem can be dealt with as a whole by the Group.

Without committing ourselves as to periods of time or to the organization of the work suggested by the Brit (which has not seemed to take adequately into account the matter of collaboration with the High Commission), the general concept which they suggest as reported in London 3138, June 5, rptd Paris 975, Frkt 279,[5] coincides with our own thinking. In other words, we think that there shld be a period of study and preliminary exploration. We think that it wld probably be useful to have an opportunity for consultation with Governments and for taking a sight of the situation as a whole, perhaps some time in August, to be followed by a period of intensive final work leading up to a report to the Ministers. Since the three Ministers will be assembled in New York for General Assembly in mid Sept general thinking in Dept is inclined to favor tripartite meeting just prior to opening of GA or approxiately Sept 11. As a practical matter we may thus be faced with situation in which report to Ministers wld be due very early in Sept. We are rather inclined to doubt, however, whether this wld allow adequate time for the completion of a full and useful report on the German problem. Having somewhat committed ourselves to produce concrete results on Germany at the next big three meetings, it wld of course be preferable from the viewpoint of the German problem alone to hold the next meeting whenever we were ready. This is a matter which will have to be considered further.

In line with the foregoing, we propose that HICOM be asked to proceed immediately with preparation of a study of the Occ Stat on a tripartite basis with a target date of August first. (We understand HICOG is already doing this unilaterally). At this stage, we believe that recommendations shld be unilaterally by HICOM elements rather than on a tripartite basis. The report wld therefore not contain recommendations but wld constitute a factual review and analysis of the

[5] Not printed.

Occ controls and problems involved in their relaxation. With this material in hand, with HICOG's recommendations, with a report on the first phase of discussions of other items of the Agenda, and with a somewhat clearer view of other related developments such as the Schuman proposal, we would be in a position to move to the formulation of integrated positions for the later phases of the negotiation.

A report on the Occ Stat of the kind suggested, even without recommendations, will obviously go deep into the substance of the problems since any analysis will point to the possible lines of action. In addition, it will be useful to have an agreed factual basis for review of the Statute although we anticipate that disagreements may arise in HICOM as to factual position, particularly relating to description of what remains to be done in fulfilling incompleted programs. For example, US and UK consider external restitution virtually completed whereas Fr may urge that activities in this reserved field shld proceed until final peace settlement. However, it shld be possible to report factual status (with appropriate reservations where necessary) without crystallizing governmental positions to an extent that might be prejudicial to task of review of Occ Stat.

In practical terms, work wld therefore proceed as follows:

1. Review of the Occ Stat wld commence with a study by the High Commission on the following matters:

a. What action has been taken by HICOM under the various reserved powers (laws, directives, etc) and with what objectives?

b. What further action under the reserved powers is clearly in prospect?

c. Where action under reserved powers can be stated in terms of a program (reorganization of coal and steel industries, restitution, etc.), what is the present state of these programs, what remains to be accomplished, and what time period will be necessary for the accomplishment of the programs?

2. Intensive study shld begin as soon as possible of Items 2, 3, and 4 of the Terms of Reference to be undertaken by the Study Group in London.

3. A preliminary study shld be made by a subcommittee sitting in Germany of Article 18 of the Ruhr Authority Agreement.

4. Item 6 shld in the initial stage be subjected to only tentative exploration or shld be deferred.

Our ideas on staff and organization of work are contained in a separate telegram to London and Frankfort.[6]

Your earliest comments wld be helpful in permitting Dept to develop instructions prior to initiation of this work.[7]

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[6] Tosig 7, June 14, to London, not printed (396.1–ISG/6–1450).

[7] In telegram 5412, June 23, from Frankfort, not printed, McCloy concurred with this general approach on the tactics and organization of the ISG. (396.1–ISG/6–2350)

Sent HICOG, Frankfort as 4182, rptd AmEmbassy, London, as Tosig 4, AmEmbassy, Paris, as 2733.

ACHESON

396.1–ISG/6–3050 : Telegram

The Secretary of State to the Embassy in the United Kingdom

SECRET WASHINGTON, June 30, 1950—8 p. m.

Tosig 28.[1] Personal for the Ambassador. Fol for ur guidance as US Member Intergovernmental Study Group on Ger which meets at London beginning Jul 3, 1950.

Gen considerations which lead to estab of Study Group are stated in joint declaration on Ger of May 14, 1950. In view absence any agmt among occupying powers which wld permit conclusion Treaty of Peace, it is essential that Western Allied Powers map out a course of action which will permit the development of relations with Ger people of charaeter envisaged in that declaration. This broadly is task to which Study Group shld address itself.

Matters included in terms of reference of Study Group cover in a gen way most of subjs involved in direct relations between Western Allies and Ger. These subjs are closely interrelated and to some extent overlap one another. The exact nature of problems which they comprise has in some cases not been defined in inter-governmental discussions. For this reason, it is Dept's view that first phase of work of Study Group, which shld be conducted in close cooperation with Allied HICOM, shld be devoted to defining the problems under the various headings and analysing them for the purpose of enabling the Govts of three powers to define their attitudes on questions involved. The Dept therefore contemplates that work of Group wld at outset consist primarily of study and exploration. After this phase of discussions has progressed sufficiently, it is expected that you will report on them to Dept. At that time, in light of ur views, and views of US High Commissioner for Ger, Dept will proceed in consultation with other interested agencies of US Govt to formulate definitive instructions. Shld you feel that you require instructions on particular points in advance of time when you can report generally on the preliminary study and exploration, you shld so inform Dept.

It is believed that work of Study Group will have to deal with three gen, but interrelated, groups of problems. One of these is the nature of controls to be maintained over Ger. The second is estab of a basis

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[1] At the beginning of June the Department of State had informed Embassy London that the series indicator Sigto would be used for traffic from London to Washington dealing with the ISG, while Tosig would designate traffic from Washington to London. (Telegrams 2749 and Tosig 1, June 7 and 9, to London, neither printed, 396.1–ISG/6–750 and 950).

for more normal relations between Ger and other free nations. Third gen heading involves question of what commitments it may be necessary to obtain from Ger Fed Rep as a necessary condition to relaxation of controls and other measures which Allied Govts might take, such as termination of state of war.

Dept believes that one of the important considerations which you will have to deal with is that of clarification of the internatl status of Ger Fed Rep and its relation to rights and obligations of former Ger Reich. Dept believes that it will at an early stage be necessary to permit Fed Rep to conduct foreign relations directly with other Govts, subj to appropriate controls by the Allied HICOM. If this is to be done, status of prewar treaty rights and obligations of Ger must be clarified. It also appears necessary to find a basis upon which Fed Rep may accept full membership in various internatl organizations.[2]

It is Dept's view that Allied Powers shld aim at reaching a position in which Fed Rep is able, subj to whatever controls the Occupying Powers may see fit to continue in their dealings with the Fed Rep, to deal to maximum extent possible with other Govts on a normal basis. Whatever arrangements Allied Govts may work out to achieve this objective, however, it is important that supreme auth which Allied Govts assumed in 1945 shld be maintained and that right to occupy Ger territory and to maintain and exercise such controls as is deemed necessary be in no way affected. It is likewise important that nothing be done to jeopardize legal position of three Western Occupying Powers in Berlin. Another important aspect of work of Study Group will be to find practical means of eliminating obstacles to development of normal economic, financial, and legal relations between Ger and free world. In absence of any settlement in nature of a peace treaty, numerous questions affecting Ger relations with Allied countries remain unsolved. Some of these constitute a serious impediment to development of normal economic relations between Ger and other countries. Study Group shld make recommendations as to the means by which these obstacles may be removed, thus promoting closest possible association of Ger with countries of Western Europe and Western World and permitting rapid economic recovery of Ger. The US has important interests in these problems, since US is Ger's principal creditor both on govtl account and through holdings by Amer natls of obligations of Ger Reich and of Ger firms. These interests shld receive ur particular attention and study.

It is possible that solutions to many of problems which Study Group will consider cannot be achieved satisfactorily except on basis of agmts between Allied Powers and Ger Fed Rep. In considering this

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[2] At this point in the source text, the following phrase was deleted before transmission: "as the only body capable of representing the Ger people."

aspect of question you shld bear in mind decision of FonMins that it was not intended to conclude a treaty of peace with the Fed Rep and that any such agmts shld not assume form of a treaty of peace. You shld also bear in mind that in addition to any arrangements made with Ger, termination of state of war will probably require Congressional action.

It is intention of three powers that Govts of the Benelux countries shld be associated with work of Study Group. Instructions on this point have been sent to you separately.[3]

Dept has made an effort to provide you with assistance in form of a staff expert in problems which it understands are involved in work of Study Group. Shld you find that additional assistance is required, you may call upon Dept for additional staff. Arrangements have also been made for the US High Commissioner for Ger to provide you with expert assistance from his staff.

An instruction regarding organization and procedural arrangements for conference will be delivered to you by a member of the Delegation.[4]

ACHESON

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[3] Douglas was informed that "Benelux shld be given full opportunity participation discussion in subjs direct concern to them," but at the outset of the ISG's work it was difficult to define exactly what the nature of the relation with Benelux should be and the Department preferred to let matters develop before deciding. (Telegram Tosig 18, June 27, to London, not printed, 396.1–ISG/6–2750).

[4] The instructions on organizational and procedural arrangements were transmitted in a letter to Douglas from Secretary Acheson on June 30, not printed (396.1–ISG/6–3050).

Editorial Note

The first plenary meeting of the ISG opened on July 3 at the British Foreign Office. The United States delegation was headed by Ambassador Lewis W. Douglas (Member) and included Jacques J. Reinstein, Director of the Office of German Economic Affairs; Samuel Reber, Counselor at the Office of the United States High Commissioner for Germany; William C. Trimble, First Secretary of Embassy, London; and John A. Calhoun, Deputy Director of the Office of German Political Affairs. The French delegation was headed by René Massigli (Member), French Ambassador in the United Kingdom and included François Seydoux, Director of European Affairs, Foreign Ministry; Claude Lebel, First Secretary of the French Embassy in the United Kingdom; and Jean Sauvagnargues, Deputy Director for Central Europe, Foreign Ministry. The British delegation was headed by Sir Donald Gainer (Member), Permanent Under Secretary of State for the German Section of the Foreign Office, and included Roger B. Stevens, Assistant Under Secretary of State in charge of German Commercial

Relations and Industry, and German General Economic and Supply Departments; William I. Mallet, Assistant Under Secretary of State in charge of the Western Department, Austrian Matters, and German Political and Internal Affairs; and Denis Allen, Head of the German Political Department.

The work of the ISG was divided into committees and subcommittees to consider various aspects under the terms of reference. A main Steering Committee handled general problems while more specific questions were dealt with by political, legal, and economic and financial subcommittees. In addition to the meetings of these several committees the Deputies and Members of the delegations met 35 and 8 times respectively before the summer session of the ISG adjourned in September to report to the Foreign Ministers.

The documentation on the activities of the ISG in the Department of State files is extensive, including United States delegation minutes of the various committee, subcommittee, deputy, and plenary meetings, a complete collection of ISG papers (designated by the series indicator IGG(50)-), United States delegation position papers and documents, complete collections of Sigto and Tosig telegrams, and other cables not in either of those series but relating to the work of the ISG. All these materials, subject files, and the briefs prepared by the Office of the United States High Commissioner for Germany are in the CFM Files: Lot M-88: Boxes 196 ff. The CFM Files are a consolidated master collection of the records of conferences of Heads of State, Council of Foreign Ministers and ancillary bodies, North Atlantic Council, other meetings of the Secretary of State with the Foreign Ministers of European powers, and materials on the Austrian and German peace settlements for the years 1943–1955 prepared by the Department of State Records Service Center. Smaller collections of these materials are in Department of State decimal file 396.1-ISG and in the Bonn Embassy Files, McCloy Project: Lot 311: Boxes 358 ff. The documentation that follows, because of the very detailed nature of the work of the ISG, presents only the outline of United States policy during the meetings and illustrates some of the problems encountered by the delegations in attempting to execute the Foreign Ministers terms of reference.

For an account of the review of the Occupation Statute alone, see Elmer Plischke, *Revision of the Occupation Statute for Germany, September 21, 1949–March 7, 1951* (Frankfort, Office of the United States High Commissioner for Germany, 1952).

396.1-ISG/7-1250 : Telegram

The United States Delegation at the Intergovernmental Study Group on Germany to the Secretary of State

SECRET LONDON, July 12, 1950—8 p. m.

Sigto 35. Following is roundup of first week of ISG.

1. Work of group got under way with immediate initiation of committee work on termination of state of war, status of prewar treaties and German foreign debt and claims on Germany. Preliminary discussion on Occupation Statute by Heads of delegation and committee discussions brought out fair amount of information on British and French attitudes.

2. At outset of meeting, British introduced proposals on organization of work which differed in several respects from views they expressed prior to meeting: (*a*) Target date for completion of work suggested as September 1, in order to permit full consideration of report at New York FonMin's meeting; (*b*) Top priority to Occupation Statute, which British considered to be of overriding importance; (*c*) Separation of Occupation Statute from other items on agenda for purposes of report. Since FonMins had fixed September 30 as date for at least preliminary report and British apparently envisaged final report as September 1, proposal involves considerable acceleration in time schedule. Both US and French delegations insisted all items on agenda were interrelated and report must cover all. They also questioned that ISG required to complete work before New York meeting. British appear to have accepted both points.

3. British attitude as indicated in meetings seems to be that major change should be made in fall in Allied relations with FedRep involving: (*a*) Virtual termination of controls in foreign relations field and probably in numerous other fields other than those affecting security and status of occupation forces; (*b*) Resumption of diplomatic relations; (*c*) Termination of state of war; and (*d*) Recognition of FedRep as successor to Reich. While they have not as yet sketched out in full their ideas on relaxation of controls, their position may be indicated in part by the suggestion that power to ensure respect for Basic Law and *land* constitutions should be given up completely as soon as Germans set up constitutional court and that right to disapprove constitutional changes might be retained only if changes involved threat to basic purposes of occupation. They apparently envisage that relaxation of controls would give rise to some kind of new agreement with the FedRep comparable to Petersberg agreement.[1]

[1] For the text of the Petersberg Protocol, November 22, 1949, see *Foreign Relations*, 1949, vol. III, p. 343.

They have not indicated very clearly what this agreement would contain, except that they envisage that in certain cases some contractual arrangement might be substituted for present reserved powers. (They have only indicated the status of foreign property and claims against Germany as illustrations.)

4. French have stressed abolition of controls over internal matters, including possible abolition of all controls over *land* legislation. While they are prepared to enlarge functions of FedRep in foreign relations field, they seem to wish to impose rather important restrictions on its freedom of action. In committee discussions, French have stressed necessity for dealing with various questions on provisional *de facto* basis, with the result that numerous matters would be decided by Allied fiat or by Allied negotiation. This attitude has had curious result that frequently British and French seem to agree on specific matters, whereas their basic positions are perhaps some distance apart. Neither of them has expressed great interest in working out any general program for German acceptance. In British case, this apparently reflects desire for unilateral Allied action to improve relationship with Germany. In French case, it probably rests on view that sufficient powers should be retained to impose on Germans solutions to questions on which we wish settlement.

5. US delegation has stressed necessity for finding solutions which will permit Germany to establish closer relations with west, citing foreign affairs as example of field in which larger German responsibility might be contemplated. However, supreme authority powers related to basis of occupation and essential security controls must be maintained.

6. By end of week, agreement had been reached on terms of request for information from HICOM on working of Occupation Statute and more detailed discussion in ISG will take place this week. This discussion will undoubtedly bring more sharply into focus attitudes on certain important issues, but detailed discussion on numerous points must await HICOM report which will presumably not be available for several weeks. Political Committee has made reasonably satisfactory progress on termination of state of war, but substantial differences of opinion are beginning to emerge on question of successorship to Reich. Economic Committee has been completing survey of prewar debts. British, with French agreement, have pressed for discussion of successorship issue on Reich debt, while US has urged complete inventory of problems in whole field of claims, debts and other economic and legal issues arising from the war. Discussions have been somewhat slowed down by lack of adequate preparation on part French delegation.

Sent Department Sigto 35; repeated info Frankfort 41, Paris 71.

896.1–ISG/7–1350 : Telegram

The United States Member at the Intergovernmental Study Group on Germany (Douglas) to the Secretary of State

SECRET PRIORITY LONDON, July 13, 1950—4 p. m.

Sigto 38. 1. In accordance with the agreement reached with British and French prior to initiation of talks as well as at their outset, first phase discussions are informal and exploratory with no fixed positions taken by any of participants and none contemplated until work enters second phase. All three realize that any ideas which might be put forward now must of necessity be purely tentative pending receipt of HICOM report and view of their respective High Commissioners. In other words all three are fully aware that no commitments can be made at this stage and that any suggestions advanced are intended solely to clarify thinking in respect to problems under consideration.

2. In discussions to date we have gone some distance in probing tentative thinking of British and French without saying much about our own ideas. It is quite apparent from these informal exchanges that the views of both of them are still in a formative stage. As a result, neither is disposed at this time to assume leadership. I consider this situation favorable to the exercise of American influence in a decisive fashion, provided we can put forward now certain general principles for consideration and discussion. These would not be in the nature of proposals for I fully realize that it would be impossible for us to put forward anything even remotely approximating finality until the HICOM report and the views of McCloy have been received and considered by the Department.

3. We have already exercised some influence on British thinking, which is now tending to recognize necessity for related action on the various agenda items, and I believe that we can make considerably more progress in firming up their attitude along lines paralleling our own. The French ideas on the status of the Federal Republic as expressed to date appear overly restrictive, and I feel that a good deal of talking is needed to prepare the way for a more receptive attitude on their part towards according the Federal Republic a status of the character envisaged in Tosig 28.[1] We may of course find it impossible to make progress with French at this stage. I feel however that we must at least make the effort.

4. In light of foregoing I consider it highly important that first phase of discussions proceed far more rapidly than the Department envisages in Tosig 33.[2] Both British and French are anxious to get to substance of main questions on Occupation Statute. While we can

[1] June 30, p. 743.

[2] Not printed; it stated *inter alia* that the Department of State felt that discussion of the Occupation Statute, foreign affairs, and foreign trade should be deferred (396.1–ISG/7–1050).

defer discussion on a number of points pending receipt of HICOM report, and I have so recommended, we cannot do so on all of them without putting ourselves in position of stalling the negotiations and thus being responsible for them bogging down. As Department will recall, we were placed in that very position during the Occupation Statute discussions in London in 1949.[3] I sincerely trust that we can avoid a repetition of that unfortunate experience.

5. As I see it, the key to progress in our immediate discussion lies in the foreign relations issue. I agree with Department on the importance of this question and its inter-relationship with the other topics of the agenda. Unless we are in a position to put forward our tentative ideas on this subject, however, I consider that it will be extremely difficult, if not impossible, to find any frame of reference for the other matters which must be dealt with. Termination of state of war, the question of succession to the Reich, and the status of pre-war treaties are all intimately connected with the foreign relations issue and therefore must be handled in relation to it as well as to one another. The solution of these questions is also essential to dealing with pre-war debts and certain other aspects of item three of the agenda. I therefore seriously doubt the wisdom of the Department's view that foreign affairs must be one of the last subjects to be discussed.

6. On the other hand I agree wholeheartedly that nothing approximating binding proposals should be put forward by us at this stage. Instead I suggest that general principles in respect to foreign affairs should be advanced by us on a purely tentative basis for purposes of exploration only. Such principles might involve the delegation of power to the Federal Republic to conduct foreign relations subject to certain continuing controls. In Sigto 26[4] we indicated the general purpose of these controls, which I would suggest ought to be defined in our discussions here in more specific terms. We might, for example, define the areas of our concern along the following lines. With respect to the Soviet orbit countries we would retain complete control, including control over establishment of diplomatic relations. With respect to other countries, we would allow the Germans freedom to establish relations and to conduct them subject to controls by Allies with respect to certain substantive matters. These might be matters on which reserved powers are retained, among which would clearly be anything relating to military matters. In the case of other substantive matters, we could suspend our controls (including the right to disapprove agreements made by the Federal Republic) perhaps for six months or a year. We would require the Germans to keep us fully

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[3] For documentation on the negotiations for the Occupation Statute in London during early 1949, see *Foreign Relations*, 1949, vol. III, pp. 1 ff.

[4] Not printed; it reported the U.S. delegation's preliminary ideas on how to handle the discussion of the Occupation Statute in the first round of conversations and gave its views on the various points of the statute (396.1-ISG/7-850).

informed with respect to their relations with approved countries at all stages of their negotiations. If we found objection to what they were doing in non-reserve field, we would rely on diplomatic, economic and other pressures rather than on controls.

7. In the discussions I had with McCloy on Sunday, he was of the view, in which I concur, that either substantial concessions should be made to the Federal Republic or we had better not move. It seems to me that a miserly extension of freedom will be of no avail. I discussed with him the idea of suspending controls in certain fields, including foreign affairs, and found that the tentative results of his thinking seems to make him at least sympathetic to this approach. He will no doubt comment to the Department on this message. It is worth remembering that our original purpose in drafting the Occupation Statute was to exclude the Germans completely from the field of foreign affairs. However, what has happened is that, whenever Adenauer or other German leaders make speeches, the German position on foreign affairs questions is stated and is so accepted by the world. This has happened in connection with the Council of Europe, the Saar and other matters. Would it not be better for the Germans to have an official status and to conduct their diplomatic relations in a more normal way? If they were to do so, we would probably have at least equal, if not greater, opportunity to exercise influence on them than we have now.

8. As I understand it, the Department's view as expressed in Tosig 4 [5] and Tosig 28 is substantially that proposed in Sigto 26. The question of when to state a tentative US position is one of tactics. If we are clear, as it would appear to me that we are, on the objective of the US Government, I believe that the time to develop our position in the discussions is now. I strongly urge that I be authorized to do so. Otherwise we may be only twiddling our thumbs.

9. I appreciate the difficulty confronting the Department in dealing with certain other points notably the matters relating to German internal affairs such as the review of German legislation and the question of economic controls. I believe that these and controls to insure respect for basic law and *land* constitutions are most important subjects and therefore recommend that Department and HICOG should give high priority to formulating positions on them.

10. In addition to foregoing points on Occupation Statute, it will be necessary for us in immediate future to begin to take at least tentative positions in respect to certain other points. These will be covered in separate messages.

Sent Department Sigto 38, priority Frankfort 46, repeated information Paris 76.

DOUGLAS

[5] Same as telegram 4182, June 12, p. 738.

396.1–ISG/7–1450 : Telegram

The Secretary of State to the United States Delegation at the Intergovernmental Study Group on Germany, at London [1]

SECRET PRIORITY WASHINGTON, July 14, 1950—7 p. m.

Tosig 37. We are gratified contents Sigto 38 and 40 [2] as we were beginning to be seriously concerned by what appeared to be a fragmentized approach to work ISG under UK spurring for important conclusions earlier than we had intended. It appears to us from reports on hand that other Govts view agenda items as unrelated to each other and view many of them with very limited objectives in mind but we note with satisfaction your pressure toward inter-relation of items. For instance we have noted their insistence on treating termination of state of war as limited technical, unilateral act and apparent willingness to take this act with complete disregard for Ger attitude or commitments. We noted Fr thesis that no connection shld be made with question Fed Rep's status as successor to Reich rights and obligations but that this question shld be sidetracked until peace settlement. We noted apparent Fr desire to considerably limit scope of inquiry into status of pre-treaty obligations. We also noted absence any discussion settlement claims problems in connection question Fed Rep status or termination state of war. Hence it appeared from this distance that in each sub-comite US Del was confronted with Br and/or Fr draft of limited outlook on subj and was being maneuvered into detailed and limited discussion of each agenda item separately.

While your Sigto 38 indicates your full appreciation inter-relation various items we are still in difficult position to proceed with full discussion, even though preliminary, of the occ stat. We are frankly ill prepared at this stage for full exploration problems arising in such a review. Inasmuch as our thinking and our various cables on this subj have been along lines reserving substantive discussions on stat until later phase, we had given priority in our preparations towards other agenda items.

Problems which concern us most re revision occ stat do not really arise in line by line review of stat to determine what powers cld be given back to Gers. This seems to be easiest part of problem and one in which we seem to be in substantial agreement. Such an approach is one of concessions entirely to Gers without counter-balance or protection on our side. It is an approach apparently desired by Br which has made us increasingly hesitant to start in this fashion.

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[1] Repeated to Frankfort as 324 and to Paris as 246.

[2] Not printed; in it the U.S. delegation reported on the July 11 meeting of the deputies at which work on the Occupation Statute had begun. It was agreed that the deputies would examine the statute and submit a report to the heads of the delegations, and the work began with a line-by-line reading for the purpose of exploratory discussion. (396.1–ISG/7–1350)

Real problem seems to be not what powers can be given away but rather method and form of accomplishing this and still retaining gains we have already made in Ger and a position in which we can obtain further success in coming period. It wld seem that US leadership is needed most in this gen area rather than in process of determining what powers will be given away. Even in areas of reserve powers which we clearly agree shld be relinquished to Gers, we are reluctant agree to a course in which Gers will be free to backslide from various reforms that have already been made. We also have a very great interest in maintaining a position of influence in some of fields in which we have perhaps already technically given up our power. This applies particularly to gen field of democratization. We have been trying to devise a formula for revision Statute which wld take care these various concerns and are thinking more in terms an expanded appendix to present Statute rather than a mere revision Statute itself. It wld seem time has arrived to state in more specific terms responsibilities of Gers and ourselves in various fields. An over-simplified example will be given in case of decartelization. Cld we not define for instance in an appendix to Statute time and condition under which we wld relinquish this power and include as well a statement of principles under which we wld henceforth allow Gers full authority and responsibility to carry on program. Hence Gers wld clearly understand extent their authority and occupying powers wld only intervene in case agreed principles were being violated. If such a method were followed it wld be most important that tone and content of such principles wld be generally accepted in Ger as being in their own interests and protection and we wld wish to obtain another gen packaged agreement along lines Petersberg which wld produce rational programs with which both sides cld feel a measure of satisfaction.

A more difficult example wld be in field of gen democratization. We can clearly not reimpose as a reserve power that which we have already given away, yet as time proceeds we find ourselves really more interested in this field than in certain of reserved fields which now exist. Can we in effect agree on and define "basic purposes of the occupation?" As one element in this field, for instance, can we find some method in which we can dispose of present heavy burden of prior review of all Ger legis and yet allow McCloy or High Comm authority to take action on specific exaggerated cases of importance in development of Ger such as recent Civil Service or trade practices matters.[3]

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[3] Under reference here are the Federal Civil Service Law and the Baden Handicraft Law. The United States opposed the former because it contained sections that seemed to repeat the provisions of similar Third Reich legislation and the latter because it seemed to be a restraint on domestic trade and economic activity. Documentation on these two laws is in files 762A.14 and 862A.33.

Here again we wld hope (and this will be difficult) to find a formula in which we cld hold Gers to an agreed set of principles in their future operations.

Such an approach to Occ Stat wld involve a great deal work and without doubt great deal disagreement among Allies. In preparation of such principles for future action we wld expect agreement with Brit wld be most difficult. Certainly if we had already arrived at gen agreement with them, even though labelled tentative, of the various powers that wld be given up and particularly that of fonaffs we wld be left in a poor bargaining position to obtain a more extensive type of revision. We had frankly rather relished idea of keeping Brit in doubt on our position on fonaffs until we clarified our thinking with McCloy as to best means of procedure.

In an even broader field we regard control of fonaffs as being of critical importance. There can be no doubt that present Occ Stat in addition to our position through ECA gives us a position of great influence not only in Ger but in Eur. With Gers in conduct of their own fon relations position of Allied HICOM, and particularly our own position, will be radically altered. There seems by now to be every evidence that Brit wld be delighted to reach stage where they can unilaterally work with Gers by end runs around HICOM. With estab of dipl representation this process will undoubtedly quickly diminish authority HICOM and our own position. We wish to retain even under these conditions greatest possible influence in internal development Ger in coming period. In this connection you will recall position stressed by Secy at last For Min mtg. Here again formulas which we have been able devise to date do not leave us satisfied.

We realize difficult position you are in at present stage of discussions and will of course, with above expression of our thinking, leave tactics of discussions entirely in your hands. We wld hope, however, that first round of discussions cld end without going much farther in vital parts of Occ Stat.

We are most eager to have personal comments from McCloy on matters raised in this msg.

ACHESON

762A.0221/7–1550 : Telegram

The United States High Commissioner for Germany (McCloy) to the Secretary of State

SECRET PRIORITY FRANKFORT, July 15, 1950—5 p. m.

410. Reference London's 8 July, sent Department Sigto 26, repeated Frankfort 25; Department's 10 July, sent London Tosig 33, repeated

Frankfort 169; and London's 13 July, sent Department Sigto 38, repeated Frankfort 47.[1]

I have given careful consideration to problems involved in review occupation statute in light of internal German and international situations. I feel strongly that time has arrived for occupying powers to come out with definitive program expressing new approach not only to insure maximum fulfillment Allied objectives still possible, but also avoid being overtaken by swift tide of events.

It appears to me that examination of present statute line by line and article by article without first obtaining tripartite agreement on basic principles is not best method of arriving at workable document. I believe that first of all we should establish an over-all framework encompassing the necessary minimum guaranties which must remain almost unchanged for the rest of the occupation and having reached tripartite agreement on those, proceed to the consideration of reserved powers which, in the light of the over-all structure are still essential. London's Sigto 38, 13 July, depicts present stage of ISG discussions as favorable for injection of new approach and exercise of US leadership.

The consideration of the revision comes at a time when a number of specific programs are still in progress but are not expected to continue indefinitely. Their completion will require the continuation of a number of the powers now reserved in section 2 of the statute.

The first step, therefore, is to distinguish between our temporary programs and our longer range objectives in order to clarify how long the powers to achieve them will be required. The second step is to determine the nature of the powers which must be retained to achieve both types of objectives.

I. Objectives:

1. Objectives of indefinite duration:

Basically, our objectives with respect to Germany for the long-run should be two-fold: (1) to assure in Germany a vigorous and healthy democratic order; and (2) to integrate Germany economically and politically into western Europe as fully as possible.

More specifically, in addition to retention of supreme authority, these objectives require reserve powers necessary to insure (*a*) security from totalitarian aggression whether internal or external or from Gemany's alignment with the East; (*b*) protection of a democratic order in Germany, of a government responsible to the people, and of the rights of the individual; (*c*) protection and support of the occupation forces and authorities.

Having reserved these powers, we should permit Germany to conduct its foreign relations with friendly states while reserving to ourselves the right to withhold consent to any agreement or treaty which might endanger these objectives or the exercise of these powers. It is moreover necessary to control German relations with the East.

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[1] Sigto 26 and Tosig 33, not printed, but see footnotes 4 and 2, pages 750 and 749, respectively.

The fulfillment of any other long-range objectives not falling under those enumerated above might be insured by contractual undertaking.

2. Completion of current programs of limited duration:

In a number of fields, the present statute reserves powers for carrying out specific programs which are now under way. Examples of these are the reorganization of coal and steel industries under AHC law 27,[2] the reorganization of Farben; the protection DP's; external restitution, etc.

It will be necessary to reserve the powers required to assure the completion of these programs. It may be that the present powers could be refined or reduced to some extent, but in large measure they will have to be retained until the programs are complete.

With respect to these programs, we propose that the statute should expressly state that the necessary powers are now reserved only to the extent required to complete the current programs and will lapse when that has been done. In this way the Germans would realize that these powers would have a terminal date and would be under strong pressure to assist actively in completing the programs in order to bring the powers to an early end.

II. Nature of the powers required:

With respect to both types of objectives, it is essential to consider what kinds of powers must be reserved in order to achieve them. Essentially two methods are available: (1) affirmative powers to do things ourselves and (2) commitments by the Germans backed by some form of Allied sanction or power to supervise.

1. Affirmative powers:

In certain fields the Germans either will not or cannot take the action necessary to achieve our objectives. In such fields, we must retain direct power to act ourselves.

2. Indirect sanctions:

In other areas, we can allow the Germans to undertake responsibility and retain our powers of supervision or ultimate power to enforce compliance.

In certain fields our programs will require too long for us to carry them out ourselves. Our only alternative is to turn them over to the Germans. But in order to assure that the Germans do go forward it may be desirable to reserve powers to intervene, such [as?] sanctions to enforce or correct German action in these fields. For example, the program for internal restitutions seems certain to require a number of years for completion. Apparently the Germans have not pushed it forward with any real energy and probably would not complete it without some goading from the Allies. On the other hand we are clearly not in a position to administer the program, especially over

[2] For the text of AHC Law 27, Reorganization of German Coal and Iron and Steel Industries, adopted by the Allied High Commission on May 16, 1950, see *Laws, Regulations, Directives and Decisions of the Allied High Commission for Germany, from September 21, 1949 to September 20, 1950*, volume I (Bonn-Petersberg, Allied General Secretariat, no date), pp. 155 ff.

any long period. The most we could do would be to reserve certain powers to intervene in order to assure German action.

III. I believe this approach is the best way to deal with the revision at the present time. Since not many of the powers can be fully relinquished at this time, this seems to me the only way likely to make the Germans feel that a real step forward has been taken.

They would recognize that a terminal date had been set for the substantial part of the powers and could be accelerated by their cooperation.

The powers reserved for a longer period would be clearly directed toward objectives which could be more easily explained in relation to Allied interests.

With this approach in mind, we are now preparing detailed answers to London's Sigto 26 to Department 8 July which we expect forward soonest.

I am also in complete agreement with Douglas' views expressed Sigto 38 of 13 July wherein my thinking is clearly reflected in paragraph 7.

Would appreciate Department's comment urgently to insure comprehensive guidance US element HICOM engaged in studies and preparation recommendations to ISG.[3]

Sent Department 410; repeated info London 35.

McCloy

[3] In Tosig 49 (repeated to Frankfort as 565), July 24, not printed, the Department of State expressed its full agreement with the general points in this telegram, particularly "that basic principles shld be developed on tripartite basis and that line-by-line exam of Occ Stat is unsatisfactory as method of approach". The United States contemplated a distinct advance by the Federal Republic toward independence subject to retention of supreme authority by the Allies, especially with regard to security. The Germans would be granted "substantially increased powers in both fonaff and domestic matters." The Federal Republic would enjoy greater prestige and status as the only German Government qualified to speak for all German people. (396.1–ISG/7–2450)

CFM Files : Lot M–88 : Box 200 : ISG Ist Session

The United States High Commissioner for Germany (McCloy) to the Office of the United States High Commissioner, at Frankfort

SECRET PRIORITY Bonn, July 29, 1950—2 p. m.

67. During discussion between Liaison Officers and Brentano (CDU), Euler (FDP) and Wehner (SPD), latter were asked what US authorities could do to strengthen West German position vis-à-vis East. All three agreed first essential was radical modification of Occupation Statute. All seemed to have more than casual knowledge of ISG meetings. Brentano said it was useless to modify Statute paragraph by paragraph. Allies must give Federal Republic much wider powers if it was to earn the respect and loyalty of West Germans so essential in these critical times. He feared Allies failed to appreciate psycho-

logical effect of Petersberg methods on population. FedRep could not continue to be puppet regime of HICOM. Present relationship was hardly conductive to development of strong democratic tradition.

Euler stated a parliamentary group should be called to hear German views of Statute revision. In his view that Statute should be replaced by security pact and High Commissioners by Ambassadors. Furthermore, revision should reflect basically changed relationships and not merely altered terminology. Maintenance in Germany of Allied troops and all the powers necessary to this end should, of course, be retained but in foreign and internal affairs Allies should grant far greater freedom of action. West Germans could not be expected to resist threats and blandishments of East Government if their own government was constantly undersold by HICOM. One could not expect population to have greater confidence in FedRep than Allies themselves had.

Wehner said somewhat cynically that he did not foresee ISG coming up with more than a series of meaningless platitudes such as the CFM statement that future developments depended on Germans themselves. This remark was heartily endorsed by his political opponents Brentano and Euler.

All three agreed that changes they advocated were most unlikely but warned that reaction of West German population to probable outcome of review would be demoralization and disillusionment. Something they agreed might be done to cushion the blow but nothing short of drastic relaxation of controls could strengthen Western morale against the East.

Brentano, Euler and Wehner are top leaders in Parliament and their views may be taken as representative of the 2 major government parties and leading opposition party of the FedRep.

Liaison Officers refrained from comment beyond pointing out improbability of drastic revisions in immediate future.

McCloy

396.1-ISG/8-150 : Telegram

The United States Delegation at the Intergovernmental Study Group on Germany to the Secretary of State

SECRET London, August 1, 1950—4 p. m.

Sigto 82. 1. First item on ISG plenary agenda yesterday was report of Deputies on review of Occupation Statute.[1] Mentioning that it was merely progress report Gainer suggested that heads of delegations only take note of it rather than discuss paper in detail. Douglas and

[1] Under reference here is IGG(50)35 Final, dated July 31, not printed (CFM Files: Lot M-88: Box 196: Intergovernmental Study Group Papers IGG(50) 1-39). The minutes of this fourth plenary meeting are in CFM Files: Lot M-88: Box 198: USDel-ISG(50) Meetings (P)4.

Massigli agreed. Gainer then made general statement re Deputies examination of Occupation Statute stressing "enormous range" of problem and "considerable divergence" of views as to how it should be revised. There appeared to be danger that ISG has been paying too much attention to details rather than to principles. In view international situation it would seem desirable to approach matter "boldly" and to contemplate "maximum relaxation of controls", thus encouraging Germans to take their place in west. Such an approach might be gamble, but in British opinion "gamble well worth taking."

2. Massigli replied that he was not so pessimistic re document. Real problem is whether governments are prepared to surrender considerable powers to Germans or only to suspend exercise such powers.

3. Douglas said that there were number of different issues to consider such as Occupation Statute, termination of state of war, prewar treaties, and debts and claims. It was difficult to have clear view on any one individually and even more so collectively. Nevertheless they are all related to one another. As he saw it, task is to determine what we wish to do with Germans and then try to fit these particular questions in to general context. In his view, 2 basic objectives of occupation powers are to weld Germany into west and to encourage, foster and develop in Germans deep desire for rights of individual and attachment for representative government. Assuming correctness definition of objectives, important question is what we must do to achieve them. Douglas emphasized desirability of selective approach, asserting that there are some things we can do and others in which we should act in restrained manner. With respect to Occupation Statute there are number of powers that can be abandoned, some that can be given up or suspended contingent upon completion programs and others which might be relinquished in return for German undertakings. As regards status of Federal Republic, question to be determined is whether we wish to make public definition or merely to reach understanding among 3 powers as to its status. If we publicly state that Federal Republic is only government capable of speaking for Germans which is another way of saying that Federal Republic is government of Germany, perplexing questions might be raised affecting relations with Soviets such as the position of Berlin. We must draw distinction between public statement re status of Federal Republic and private understanding in regard to matter.

4. Douglas continued that termination state of war must be approached against same backdrop and measures to be taken to deal with consequences thereof such as rights of Germans to litigate in our courts. PLI must likewise be examined in this context. He concluded that impossible for ISG to lay before ministers definite, precise documents representing our view on which they can act. Nevertheless it would be possible to submit to them clear statement of principles and

clear statement of objectives on basis of which they could issue instructions to ISG or its successor re steps to be taken to attain basic objectives of occupation.

5. Gainer asserted that status of Federal Republic was particularly important matter and unless we are very clear on this point, it would be impossible to discuss prewar treaties and debts and claims. He questioned however practicability further suggestion made by Douglas that Federal Republic might itself assume certain obligations of Reich and accept in principle responsibility for meeting them within limit of its present capacities, maintaining that this might emphasize division of Germany. Massigli also expressed certain misgivings re reaction in East Zone to suggested procedure, asserting position of west occupation powers different from that after "victory of Berlin" and, hence we should consider what we can do "within framework of practicabilities". He did not mean to imply that we should abandon initiative but merely that we should not overlook "immediate implications" of any action west powers might take.

[Here follows a discussion of the future work of the ISG and agreement that the delegations would reassemble on August 16 after consulting with their Governments.]

Sent Department Sigto 82, repeated info Paris 179, Frankfort 105.

Editorial Note

During the recess of the ISG Douglas communicated with the Department of State concerning the relation of rearming Western Europe to the procurement of commodities in Germany. He felt that when the ISG reconvened, the problem of modifying the restrictions, prohibitions, and limitations on German industry should be discussed in order to condition the British and French to what were necessary and essential revisions of the PLI Agreement, including the employment of "German capacity to produce commodities and finished nonmilitary articles for the benefit of western Europe." Telegram 881, August 11, from London, not printed (740.5/8–1150). For further documentation on this subject, see volume III, pages 1 ff.

396.1–ISG/8–1550 : Telegram

The Secretary of State to the United States Delegation at the Intergovernmental Study Group on Germany, at London [1]

SECRET WASHINGTON, August 15, 1950—8 p. m.

Tosig 72. The Dept has considered, in the light of your reports, the question of position to be taken by the US Delegation during sub-

[1] Repeated to Frankfort as 1252 and to Paris as 802.

sequent phases of the work of ISG. It continues to believe that the negot shld aim at producing agreement on a program involving all aspects of the ISG agenda, of the character specified in paras 2 and 3 of Tosig 49 of July 24,[2] which will constitute a distinct advance by the FedRep toward independent status and will permit settlement of as many as possible of the major outstanding issues affecting Ger.

The Dept agrees with proposals contained in Sigto 62 of July 25[3] as to matters on which ISG shld report to the Ministers; it agrees that you seek to reach maximum possible agreement on the questions of principle detailed in that telegram. In addition to the reports which you have suggested, the Dept believes that it wld be useful to have an overall statement of principles covering the various detailed papers and a draft of a statement which wld be suitable for inclusion in the communiqué on the Ministers Meeting. It is noted that a list of subjs contained in Sigto 62 does not include mention of articles 18 and 19 of the Ruhr agreement. The Dept believes, that in view of the relationship of this subj to the meetings on the Schuman plan, no report on this matter need be submitted to the Foreign Ministers.

The Dept has considered whether recent changes in the international situation call for any changes in the manner in which you shld conduct our negotiations in London. It is not believed that changes are required by any policy decisions thus far adopted by the US Govt. You will receive separately, instructions in regard to the PLI agreement which will reflect recent policy decisions by this Govt.[4] It is believed that this is the only major particular in which the work in which you are engaged in ISG will, in the coming phase of the discussions, be affected. The effect of other events on decisions reached by ISG will, of course, have to be considered by the Ministers at their NY meeting.

The Dept has given particular attention to the question raised in Sigto 62, as to the desirability of defining the international status of

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[2] Not printed, but see footnote 3, p. 757.

[3] Not printed; in it Douglas expressed his view that the Foreign Ministers should take decisions in September that "would constitute a definition of the general lines of our policy toward the Federal Republic during the next phase of our relations with that Government," and suggested that reports on the following would be necessary: a directive on changes in occupation controls; a statement on the status of the Federal Republic, a formula for dealing with German prewar treaties and agreements on German debts and claims, the termination of the state of war, revision of the PLI, cooperation from the Germans on other matters, and the future work of the ISG. (396.1–ISG/7–2550)

[4] In Tosig 70, August 15, to London, not printed, Douglas was advised that the United States wanted agreement on two types of changes in the PLI Agreement: changes in provisions that were unduly restrictive or required "unduly heavy administrative control and interference with industrial operations," and the introduction of greater flexibility in existing limitations because of the need for maximum production to support economic recovery and defense efforts in Western Europe. The U.S. delegation should take full advantage of the intention of the British and French to achieve closer association of Germany in the defense efforts of Europe, and the Department of State believed the most promising course was to "seek agreement at present session ISG on draft directive on PLI from Fon Mins to next session ISG, to be presented to Fon Mins for their approval in NY in Sept." (396.1–ISG/8–1550)

the FedRep. It believes that it is essential to progress in permitting Ger adherence to international organizations, the establishment of the rights and obligations of the FedRep and the re-establishment of normal relations with the Western World that the international status of the FedRep be authoritatively defined by the occupying powers. The terms on which the US proposes to define this status does not seem to warrant concern regarding their impact on the international situation. In fact, they are little different from the position which the USSR already has taken respecting the Eastern regime. The Dept believes that it is essential for political reasons, that such a statement be made public in the near future, preferably prior to the Soviet Zone elections in October. It is for this reason that the Dept considers the Ministers Meeting might constitute a suitable occasion for such an announcement.

The Dept has prepared for your guidance, papers on various phases of the occupation statute and other matters involved in the ISG agenda, which are being transmitted to you. These papers set forth the position which the US Govt desires to be adopted by ISG. Shld you consider it necessary or desirable to diverge from the basic principles involved in them, you shld seek instructions from the Dept. Copies of these papers are being transmitted to Mr. McCloy for his comment. Shld his comments raise or involve the need for substantial change in your instructions, you will be so informed.

ACHESON

396.1–ISG/8–2550 : Telegram

The United States Delegation at the Intergovernmental Study Group on Germany to the Secretary of State

SECRET LONDON, August 25, 1950—6 p. m.

Sigto 123. Sigto 105.[1] At request British informal meeting ISG held August 23, to consider US PLI paper. Reinstein represented US and Stevens and Beaumarchais UK and French respectively. French explained their instructions were to listen but not participate in discussions, and to enter reservation French Government against inclusion reference PLI report ISG since not covered in agreed terms of reference. US representative did not introduce details US position set forth Tosig 70.[2] In opening statement he recalled subject having

[1] Not printed; it reported that the U.S. delegation had circulated at the 15th Deputies meeting on August 19, a statement on the need to revise the PLI and the principles to be applied in such a revision. (396.1–ISG/8–1950) A copy of this statement (IGG(50)71) and the U.S. delegation minutes of the 15th meeting are in CFM Files: Lot M–88: Boxes 196 and 198: IGG(50)70–99 and USDel–ISG(50) Deputy Meetings 15, respectively.

[2] Not printed, but see footnote 4, *supra*.

been raised May meeting Foreign Ministers and suggestion made at that time that since occupation powers contemplated new phase in their relations with Germans, desirable to look at PLI in that context as well as in light their experience operation of restrictions. Two basic problems appear involved. First, controls may be too complex and as result Allies in danger expending energies on details unit administration and losing sight main objectives. In US view certain controls and administrative practices can be restricted or eliminated, some controls appear unduly burdensome on both occupation authorities and Germans, and some seem unnecessary. Secondly there is problem of Western defense program which would have impact on economies of countries concerned. Goods will be needed for both civilian and military purposes and as consequence period of stress and strain envisaged. Full impact cannot yet be determined. It would seem unwise, however, for allies to deny themselves productive possibilities in Germany of goods required for civilian economy and defense needs. US not proposing production military equipment in Germany but of goods of different character. US he continued feels controls should not be so rigid as to require specific authorization of Foreign Ministers in each instance to obtain any relaxation. It therefore proposed that Foreign Ministers should charge ISG or some other body with responsibility of reviewing controls under PLI in accordance with provisions of principles Foreign Ministers themselves might determine.

UK representative said that speaking personally he was broadly in agreement with a great deal US representative had said and in suggestions underlying US paper. Change international situation required restudy of PLI. Time necessary to do this and he seriously doubted whether work could be performed in second phase ISG. Agreement should, however, be reached at least by end of year and if any substantial modifications agreed to, they should be "wrapped up in same package" with relaxation in occupation statute "so that Germans would be no doubt re our policy". He also agreed Foreign Ministers should lay down principles but considered task of formulating them "formidable". Foreign Ministers would need more information than that contained US paper since they must have idea where principles would lead them. Otherwise they might be in position of signing "blank check", and of adopting words might later be used against them in manner not intended. As he saw it modifications proposed by US were of three types: (*a*) those resulting from changes in concept re security, (*b*) controls which MSB or other pertinent Allied organizations in Germany have found impractical to carry out, (*c*) granting greater discretion to HICOM to restrictions in interest production non-ordnance items. He was not sure re desirability action under (*c*) since HICOM would not have access to information requirements and therefore suggested governments now agree quotas

certain type of material which could be produced outside of quota if needed for common defense. Another possibility would be agreement that NATO requirements body, if and when established, should determine from time to time what might be required from Germany, and HICOM could then have power to modify PLI restrictions accordingly.

US representative said impossible to determine requirements at this stage. Generally speaking, problem might arise in two ways: (*a*) direct procurement non-military materials for use by military; (*b*) steps to be taken to increase availability of particular items in short supply required for civilian and military use. He emphasized Western powers must contemplate increase above present high level production and that as result shortages would undoubtedly develop.

UK representative agreed that "some simple remedial action" to combat shortages should be provided for, but still questioned whether HICOM would be in position to determine supply needs under defense program in absence precise instructions on subject from "some competent body". UK representative then asked what controls US considers "unduly restrictive".

US representative replied that he had in mind those concerned with (*a*) shipbuilding and in particular ships for export (*b*) leaving aside for moment question steel, capacity limitations on certain industries remaining after reparations removal such as those on synthetic ammonia (*c*) overly restrictive regulations relating to items such as electronic tubes and (*d*) in general controls not directly connected with essential security considerations.

UK representative replied that Allies must look to all restrictions in sight new concept re security in past 18 months. He had nothing new to say re shipbuilding except that it would be examined in this "wider concept". He suggested that further meeting be held with view to drawing up report to Ministers. Report would preferably be tripartite but if French unwilling to associate themselves, it might go forward as joint US–UK paper.

At conclusion meeting US representative said he had certain views to put forward on steel which represented most important problem, mentioning in this connection current high rate production in Germany, extremely tight situation in US and growing defense requirements. At suggestion British general discussion steel question postponed until further meeting.

During course discussions Stevens said he had been given assignment outside regular work on German affairs to participate in planning re NATO requirements and procurement. In this connection and in view US suggestion that Germany be allowed produce for common

defense, he was curious to know what US views were as to how German contributions to common defense would be financed.[3]

Sent Department Sigto 123, repeated information Frankfort 164, Paris 306.

[3] On August 29 at the 6th plenary meeting Douglas reiterated the United States position on revision of the PLI Agreement, and again at an informal session following the meeting. The French however were still without instructions, while Stevens reported that the British would be unable to discuss the subject until the Cabinet took its position. Sigto 138, August 30, from London, not printed (396.1–ISG/8–3050).

Editorial Note

On August 29, Chancellor Adenauer sent to the Allied High Commission a memorandum concerning the reshaping of the relationship between the Federal Republic of Germany and the occupying powers, with the request that it be submitted to the Western Foreign Ministers at their meeting in September. Since the situation had changed to a large extent since the negotiation of the Occupation Statute in April 1949, the Federal Government requested the Foreign Ministers to issue a declaration stating that the state of war would be terminated, that future occupation would be for protection against external dangers, and that relations between the Federal Republic and the occupying powers would be progressively replaced by contractual agreements. In order to reshape the existing legal state of affairs, the Chancellor proposed the creation of a commission composed of Allied and German experts to review the situation. For the full text of the memorandum, see Konrad Adenauer, *Memoirs, 1945–1953* (Chicago, Henry Regnery Company, 1966), pages 280–281. A copy of the memorandum designated IGG(50)120, is in file 762A.0221/9–250.

Editorial Note

On September 5, Massigli, Gainer, and Holmes, who was acting for Douglas, signed the report of the Intergovernmental Study on Germany for submission to the Foreign Ministers. Designated IGG(50) 127 Final, the report comprised six items concerning the revision of the occupation statute, the status of the Federal Republic and the treaties of the former German Reich, claims, termination of the state of war, Articles 18 and 19 of the Ruhr Agreement, and the definition of German cooperation required to warrant the relinquishment of controls. For the full text of the report, see volume III, page 1248.

396.1–ISG/10–1150 : Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfort [1]

TOP SECRET WASHINGTON, October 11, 1950—7 p. m.

2715. Although basic elements our position on PLI for ISG negots Oct. 24 in London are fairly firm, as result our exchange views on problem last Aug and Ministers Directive to ISG,[2] there are several problems, mainly connection items in Sched A of Law 24 [3] (which stems for [*from?*] Sched A of ACA Law 43) on which our position must, for time being, be most tentative. As result the paper which we airpouched you Oct. 11 [4] merely notes existence these problems and indicates further instrs will be sent to our people London.

Of these problems question of equipment for enlarged police force [5] and of mil equipment in general are two major ones. On first wld like receive soonest outline your thinking and of results any discussion you have had with Brit and Fr. In our view you must reach agreement in HICOM on types and numbers of weapons which police shld have and dates on which equipment is required. However, we have some question whether you shld try determine in HICOM at this time whether all or some of police equipment shld be produced in Ger, and, re equipment which it may be desirable produce in Ger, what controls shld be established over its production. Presumably any discussion these controls will involve consideration of closeness of control required, in terms of licensing of production of specific types equipment, in specific quantities, and perhaps in specifically licensed and controlled facilities. If you believe you shld discuss this problem in HICOM before it has been discussed in PLI negots in ISG let us know. However, as result of uncertainty surrounding Defense Mins proposals (Secto 45, Sept. 23 [6]) we will, in any case, have to find an appropriate formula for dealing with this problem in PLI negots and we wish outline of your ideas and tentative plans.

Re mil equipment in genl we are, above all, conscious of necessity of proceeding with greatest care. In no case wld we wish prejudice

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[1] Repeated to London as Tosig 156 and to Paris as 1885.

[2] For the text of the Foreign Ministers Directive to the ISG, see Document 37 Final, vol. III, p. 1286.

[3] For the text of Allied High Commission Law No. 24, "Control of Certain Articles, Products, Installations and Equipment", see *Laws, Regulations, Directives and Decisions of the Allied High Commission for Germany, from September 21, 1949 to September 20, 1950* (Bonn-Petersberg, Allied General Secretariat, no date), pp. 74 ff.; Schedule A listed weapons, vehicles, and products of which the manufacture, production, import, export, or possession by the Federal Republic was prohibited.

[4] The paper under reference has not been identified further.

[5] For documentation on the creation and arming of the Federal police, see pp. 678 ff.

[6] *Ante*, p. 723.

Defense Mins discussions beginning Oct. 28,[7] by premature discussion. Our own views are not yet formed. Nevertheless if the Defense Mins discussions go well we may desire open subj of mil equipment in genl in PLI negots, presumably in order put forward proposal that HICOM be permitted, under fairly closely defined conditions, to authorize production of some military end-products. Bulk of production we expect at this time to require from Ger lies outside range of mil end-products, although not necessarily outside range of products prohibited in Sch A. We therefore wld expect clear way for production latter items, as they may be required, in revision of PLI already determined on and covered in our draft instr to ISG Del [8] and in our request to you for suggestions for elimination from Sched A of equipment not strictly weapons but necessary to mil force. Obviously Western defense program need for general industrial materials and equipment, including tools and dies, well as probable Fr and Brit preference for limiting Ger support of defense effort to production of such goods, will affect nature of any proposal we may consider putting forward. In addition we must proceed with great care along these roads, considering security of position at end of road, when Ger must not be independent of others in mil materials, particularly offensive power. We will try equip Amb. Douglas with guidance with respect to elimination of items from Schedule A which are identical with or only slightly different from civilian products but were prohibited because of their mil end-use, and with respect problems of equipment for police force, but will await outcome Defense Mins discussions before deciding U.S. approach to Ger mil equipment in genl. Shall, however, follow Defense Mins discussions closely, and see that you receive full reports so that as results of mtgs become clear we will be in position consider whether to raise problem in ISG discussions and in what manner.

ACHESON

[7] For documentation on the NATO Defense Ministers discussions in Washington, beginning October 28, see vol. III, pp. 1 ff.
[8] Not found in Department of State files.

762A.00/3-151

The Chairman of the Allied High Commission for Germany (Kirkpatrick) to the Chancellor of the Federal Republic of Germany (Adenauer)

BONN, 23 October, 1950.

MR. CHANCELLOR: I have the honour to refer to the communiqué issued by the Foreign Ministers in New York in which they indicated that the Federal Government would be expected to undertake certain commitments consonant with the new responsibilities which the Gov-

ernments of the three Occupying Powers contemplated would be conferred upon the Federal Republic. The three Governments hold that, at the moment when the Federal Government assumes responsibility for the conduct of its foreign relations, the status of the obligations resting upon it in its relations with foreign countries should be clarified. The three Governments regard the Federal Government as the only German Government which can speak for Germany and represent the German people in international affairs pending the re-unification of Germany. They consider, therefore, that pending a final peace settlement, and without prejudice to its terms, the Federal Government is the only government entitled to assume the rights and fulfil the obligations of the former German Reich.

The High Commission has communicated to the Federal Government separately the decisions which have been taken by the Foreign Ministers concerning the clarification of the status of treaties to which the German Reich was a party. The question of the obligations of the Reich also involves the external debt of the Reich. The three Governments consider that the Federal Government should in consonance with what has been said above, assume responsibility for the pre-war external debt of the Reich. They recognise that, in the determination of the manner in which and the extent to which the Federal Government is to fulfil the obligations arising from this assumption, account must be taken of the general situation of the Federal Republic, including, in particular, the effect of the limitations on its territorial jurisdiction.

The determination of the financial responsibilities of the Federal Government necessarily also involves the obligations resulting from the economic assistance which has been furnished by the Occupying Powers to Germany. As the Federal Government is aware, the Occupying Powers have, at considerable cost to the peoples of their own countries, extended substantial economic assistance to Germany since the termination of hostilities, with a view of ensuring the well-being of the German people and assisting them in the rehabilitaton of their economic life. In due course the Occupying Powers will call for a settlement of the obligations arising from this assistance. They will consider in the settlement of these obligations the ability of the Federal Government to pay and other relevant factors. Meanwhile, they consider that the Federal Government should acknowledge its debt in respect of the expenditures which they have incurred and that it should recognise the prior status of these obligations over other claims.

It is the intention of the three Governments to proceed as promptly as possible with the development of a settlement plan which will assure fair and equitable treatment of the interests affected and remove as far as practicable obstacles to normal economic relations between the Federal Republic and other countries. These arrangements would

necessarily be provisional and subject to revision when Germany is reunited and a final peace settlement becomes possible. The three Governments are agreed that the plan should provide for the orderly settlement of the claims against Germany, the total effect of which should not dislocate the German economy through undesirable effects on the internal financial situation, nor unduly drain existing or potential German foreign exchange resources. It should also avoid adding appreciably to the financial burden of any Occupying Power.

The three Governments have instructed the Intergovernmental Study Group on Germany in London to prepare a plan for handling claims in accordance with the above principles and to recommend arrangements for the appropriate participation of other interested Governments and the debtors and creditors, including the Federal Government. The Federal Government will in due course be informed of the results of these studies.

Although there are numerous problems to which it has not yet been possible to give consideration the three Governments are in agreement that the settlement plan should include, in particular, those categories of claims whose settlement would best achieve the objective of normalising the economic and financial relations of the Federal Republic with other countries. In their view the plan must therefore necessarily deal with the pre-war external debt as well as with the claims in respect of post-war economic assistance which enjoy a priority status over all other claims. The plan should also provide for the settlement of certain claims in connection with social insurance operations and with the conversion into *Deutschmark* of *Reichsmark* brought back from Germany by repatriated prisoners-of-war and deportees, if these claims have not been disposed of before the establishment of the plan.

In addition to the foregoing matters, other questions may arise in the detailed working out of the settlement arrangements. For example, it may be necessary to give consideration to certain pre-war debts owed to the residents of foreign countries which may not be strictly classifiable as external in character.

The three Governments recognise that a settlement plan of the scope envisaged can be put into effect only through some modification of the priority of their claims in respect of post-war economic assistance. Accordingly, the three Governments have agreed that, provided a settlement plan is worked out in accordance with the principles outlined in the preceding paragraphs and provided further that agreed procedures and controls are established that will govern this settlement plan and all payments made under it, they will modify the priority of their claims in respect of post-war economic assistance to the extent necessary to permit the fulfilment of such an agreed plan. This qualified modification of the priority of claims in respect of post-war economic assistance will not preclude the continued fulfilment of the

obligations which the Federal Government has already incurred under existing agreements concerning such claims.

The three Governments feel certain that the Federal Government shares their view as to the desirability of restoring Germany's credit and of providing for an orderly settlement of German debts which will ensure fair treatment to all concerned, taking full account of Germany's economic problems. They feel equally certain that the Federal Government will share their belief that such a settlement will contribute to the restoration of normal relations between Germany and other countries.

The three Governments would appreciate receiving a formal assurance from the Federal Government that it regards itself as responsible for the pre-war external debt of the German Reich and that it recognises its debt with respect to the expenditures incurred by the Occupying Powers for economic assistance to the Federal Republic and affirms the priority of the claims arising from such assistance over other claims against Germany. They would also appreciate receiving assurances of the co-operation of the Federal Government in working out and implementing a settlement plan as outlined above.

In order to give formal effect to these undertakings and assurances and to the undertakings and assurances offered by the Governments of the three Occupying Powers, I have to propose that an agreement should be concluded by an exchange of notes between the Allied High Commission and the Federal Government. It is the intention of the High Commission to proceed with the modification of the controls in the Occupation Statute on the lines agreed by the three Foreign Ministers as soon as this exchange of notes is completed and the assurance in respect of co-operation in an equitable apportionment of materials and products in short supply required for common defence, on which a separate letter is today being sent to you, has been received. However, it is the understanding of the three Governments that the exchange of notes on debt obligations will be submitted to the Federal legislature for approval and I have to request you to confirm that this will be done at the appropriate time.

I beg [etc.] IVONE KIRKPATRICK

762A.00/3–151

The Chairman of the Allied High Commission for Germany (Kirkpatrick) to the Chancellor of the Federal Republic of Germany (Adenauer)

BONN, 23 October 1950.

MR. CHANCELLOR: You will recall that the Foreign Ministers, in their Communiqué on Germany, issued in New York on September 19,

1950, after referring to their willingness to amend the Occupation Statute, stated that "the Federal Republic will be expected to undertake certain commitments and other actions consonant with its new responsibilities."

In view of the fact that the amendments to the Occupation Statute now under active consideration will transfer to the Federal Government certain reserved powers, the exercise of which may become necessary in the interest of the defence effort of the Western Nations, the Allied High Commission hereby requests the Federal Government formally to give an assurance that it will co-operate with the Western Powers in the equitable apportionment of materials, products, and services which are or may be in short supply or required for the common defence.

At the present time it is not possible to determine in detail the areas where shortage can be expected, the Organisations which will be designated to cope with these shortages, or the specific measures which the Federal Government might find it necessary to take in the discharge of its obligations. It can be stated, however, that now and in the immediate future the Federal Government is expected to maintain conditions under which Western orders may be freely placed within the area of the Federal Republic and under which deliveries against these orders will be made in the normal course of events, and not to increase unduly the internal consumption of these goods at the expense of exports. It can also be anticipated that, with the prospective increase in the defence effort of the Western Powers, the Federal Government will be expected to lend support to industries producing critical items in short supply and to institute measures designed to assure, at fair prices, supplies of finished goods, raw materials and services for Western defence requirements in an equitable proportion to the Federal Republic's internal requirements for consumption and investment and in preference to the import demands of countries outside the Western defence effort.

I beg [etc.] IVONE KIRKPATRICK

396.1–ISG/10–2550 : Telegram

The United States Member at the Intergovernmental Study Group on Germany (Douglas) to the Secretary of State

SECRET PRIORITY LONDON, October 25, 1950—8 p. m.

Sigto 199. We have reviewed Frankfort's 3377, October 23 to Department repeated London 238,[1] together with the French note handed British FonOff October 23 which we have sent to Department as Sigto

[1] Not printed.

198, October 25, repeated Frankfort 282 and Paris 691.[2] In general I incline to agree with McCloy's belief that it would be well to approach the revision of PLI on two different levels. First, with the idea of obtaining as quickly as possible revision of the limitations on production and capacity that could create difficulty in the near future, and second, with a view to working out long term arrangements, possibly for approval by the FonMins sometime next year. I would prefer that we make no decision excluding an effort to deal with any given aspect of the problem until we have had the benefit of such clarification of the positions of the three governments as the Defense Ministers talks may provide. We can examine where we stand and how much further it is likely we can get before the end of this year in two or three weeks and determine then our course of action. We have not yet succeeded within the US Government in arriving at firm views on the long-term or final security control system which we wish in Germany.

We here believe that we will have all that we can handle in the next several weeks to start work on production and capacity in the steel industry and the similar problems in other PLI commodities and industrial products.

We would appreciate suggestions on a long-term approach and believe we should exchange views as quickly as they can be developed. We recall that the Department asked HICOG for its views on the future organization of security control early last summer but do not know if thinking on this problem has progressed much since then, except as it has been incorporated in the US proposals for European defense.

In addition, the French note makes it quite clear that they would like to stall action and possibly even discussion of long-term revision PLI problems, although they may wish to defer discussion even on interim arrangements. In my view it would be a mistake to permit them to delay discussion of the production and capacity limitations, particularly interim arrangements and those modifications of PLI designed to remove a large part of the unnecessary administrative burden and to put the High Commission in a position to deal with emerging problems. The British take the same attitude and are prepared to insist that the discussions go ahead.

In dealing with the French note, as I expect we must do in the first stages of our discussions, the following points seem to me to be appro-

[2] Not printed; the French note stated that it would be difficult for the ISG to discharge its task with regard to the PLI before receiving information from the NATO experts on the contributions and capacities of the member countries. Accordingly the French proposed a delay in the examination of the PLI until the NATO experts presented their report. Meanwhile the interim arrangements on steel made at New York would continue in force and could be extended to other commodities if it was felt necessary. The French stressed that these proposals were not made in order to delay review of the PLI, but to make possible a more thorough study of it. (396.1–ISG/10–2550)

priate as replies to the line the French have taken: as we know the NY FonMins decision established three principles for ISG review of the PLI agreement of which defense was only one: [3]

(1) There is no apparent reason why, even should we grant the rest of the French position which we think it would be wrong to do, ISG should not consider changes justified under the first two principles which would, in our view, include many if not most, of the changes we wish.

(2) While there will not doubt be some aspects of German contribution to western rearmament which can only be determined after NATO analysis and decisions have progressed further, it seems to us a distortion of Ministers decision to argue that no action should be taken now. As we understand it, the NATO deputies estimates of requirements and productive capacities cannot reasonably be expected to be available for some time. They will deal largely, if not entirely, with military end products rather than non-ordnance products and primary commodities covered by the PLI agreement (other than Schedule A). The British have emphasized this point to us and have also expressed their belief that it would be quite impracticable to try to express in raw material requirements the kind of requirements and program data which the NATO deputies will eventually develop.

(3) The present German payments crisis, with its serious implications for German participation in EPU,[4] underscores the necessity of maximum German production and export, as does the danger of inflationary pressures in Germany and throughout the western world.

(4) We believe the Occupation Powers must accept responsibility for planning ahead to permit the German economy to alleviate shortages when it can do so and do not consider that it would be appropriate for the Occupation Powers to dodge their responsibility by attempting to shift it to other international bodies or groups of nations.

It may be that the French meant the third paragraph of their note to be a loophole which would permit a rather limited discussion of the most urgent PLI problems. However, it seems clear to us, and I understand HICOG has also already concluded, that, aside from the possibility that the French may insist on an extreme and restrictive interpretation of the NY formula, it is necessary to take the position that the west requires maximum production of German steel within present capacity that is compatible with orderly and equitable distribution of coal, coke, ore and scrap, and to revise the NY formula to achieve this. Therefore, we think that it would be most unwise to consider extending the NY formula, which seems likely to be unwork-

[3] The three principles were:

"(*a*) The elimination of restrictions which have proved to be unduly burdensome in administration.

(*b*) The elimination of security restrictions which within the framework of the present relations between Germany and the Occupying Powers appears justified.

(*c*) The elimination of restrictions which would impede the common defense programme of the West."

For the full text of the agreement on revising the PLI, see Document 37 Final, vol. III, p. 1286.

[4] For documentation on the European Payments Union, see *ibid.*, pp. 611 ff.

able, to other commodities. We would prefer, when the conditions of production appear to be similar, to adapt the proposal above. After attempting to deal with this range of problems we would propose to urge that the important and urgent problems arising from capacity limitations and their administration should be dealt with, despite the possibility that only a short time would intervene before we were prepared to press the British and French for a basic reconsideration of the whole field of industrial restrictions, including wholesale elimination of restrictions of the present type.

Sent Department Sigto 199 repeated info priority Frankfort 286 priority Paris 698.

DOUGLAS

Editorial Note

The Intergovernmental Study Group on Germany (ISG) resumed its deliberations in London on October 26, working on the basis of the Foreign Ministers directive of September 19. Massigli, Gainer, and Douglas continued to head the delegations of France, the United Kingdom, and the United States, respectively. Work on the revision of the Prohibited and Restricted (Limited) Industries Agreement (PLI), claims against Germany, restitution, and foreign interests in Germany was resumed in London by the ISG, while the review of the Occupation Statute, the Charter of the Allied High Commission, the Agreement as to Tripartite Controls, and the Berlin Statement of Principles were considered by the Allied High Commission and the Allied Kommandatura at Berlin *ad referendum* to the ISG and respective governments. The Benelux countries were consulted on matters of concern to them, as had been agreed by the Foreign Ministers in their conversation on September 19.

The most nearly complete set of records for the third phase of the ISG is in CFM Files: Lot M–88: Boxes 153–154 and 196 ff., comprising briefs, documents, memoranda, minutes, and telegrams concerning the activities of the group, its committees, and subcommittees. Two other lot files are of considerable importance for the work of the ISG and the discussions of the Allied High Commission: Bonn Embassy Files: Lot 311: Box 359 and London Embassy Files: Lot 59 F 59: Box 1452: 350 Germany. These records are supplemented by the decimal files of the Department of State, particularly the following: 396.1–ISG/9–2850, 396.1–NE/9–2850, 740.5/10–150, 762A.00/9–2350, 762A.0221/9–2950, and 862A.10/10–1050.

The documentation that follows, because of the volume and detail of these records, illustrates only the main lines of United States policy with regard to the ISG and particularly with respect to the revision of the PLI. For an account of the revision of the Occupation Statute

during phase three, see Elmer Plischke, *Revision of the Occupation Statute for Germany* (Frankfort, Office of U.S. High Commissioner for Germany, 1952); for a short account of the revision of the Berlin Statement of Principles, see Elmer Plischke, *Berlin: Development of Its Government and Administration* (Frankfort, Office of the U.S. High Commissioner for Germany, 1951), pages 24 ff. For the text of the Foreign Ministers directive to the ISG, see Document 37 Final, volume III, page 1286; for a memorandum of their conversation with the Benelux Foreign Ministers on September 19, see *ibid.*, page 1242. A copy of the report on the discussions during the third phase, October 26–December 16, IGG(50)194, is in file 396.1–ISG/1–451.

396.1–ISG/10–2750 : Telegram

The United States Delegation at the Intergovernmental Study Group on Germany to the Secretary of State

SECRET LONDON, October 27, 1950—6 p. m.

Sigto 205. Heads of delegations met informally today to discuss French note PLI.[1]

Massigli presented French position as stated note, emphasizing that principles *a* and *b* Ministers' decision which would be relatively simple to deal with, require report from HICOM while principle *c* depends on completion NATO programs. Douglas pointed out Ministers directed ISG proceed to review PLI "as soon as possible" reporting first December. Steel formula, he said, is interim arrangement and steel limitations review is necessary particularly because interim arrangement already seems to be difficult to apply in practice.

Gainer agreed Douglas statement. He added that UK believes all three principles have equal priority and equal importance and Ministers' directive requires action on them together.

Douglas pointed out that the NATO estimates when completed would deal only with military end products and urged that ISG proceed in order to take action which would assist in meeting the German need for more exports to improve the German trade balance and the US inflationary situation which results, in part at least, from the steel shortage. He pointed out also that it would be extremely difficult to determine under the NY formula what steel went into defense in view of the possibility that German steel would be substituted for domestically produced steel in civilian products, thus releasing steel for defense needs.

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[1] At the first plenary meeting of the third phase of the ISG, October 26, it had been agreed that discussion of the PLI should be carried on in a smaller meeting the following day (Sigto 201, October 26, from London, not printed, 396.1–ISG/10–2650). Regarding the French note, see footnote 2, p. 772.

Massigli said he would recommend to Paris that ISG deal with matters arising under principles *a* and *b* but that Schuman had understood the NY decision to mean that the ceiling would be maintained while production in excess of the ceiling was to be authorized by HICOM provided it was used for the common defense. He said that Schuman had understood that his concept would be continued in any recommendations made by ISG and asked if, on the contrary, the US and UK delegations expected to fix a new ceiling or eliminate the ceiling entirely.

Douglas replied this issue was not relevant to today's discussion, the question being were we going directly to work. He pointed out we were not dealing at this time with ordnance requirements but were to recommend action with respect to primary materials by December 1. As to the US position on steel production, he said US believed it was necessary to permit production of crude steel within the limits of existing capacity, subject to the equitable distribution of coal, coke, scrap and iron ore.

Gainer supported Douglas statement adding that it is necessary to prepare, by revising PLI, for German contribution to Western defense and that essential preliminary decisions must be taken in advance of decisions by NATO as to our specific requirements of Germany. NATO programs will not be final but will be continually revised. Provision for dealing with supplementary problems can be made by authorizing HICOM to act.

Massigli referred again to Schuman's understanding that the interim formula on steel would be incorporated in any ISG recommendations. Douglas and Gainer replied that the ISG was under instructions to review this and other limitations as a whole in the light of all 3 Foreign Minister's principles. They pointed out the immediate question was whether to proceed as instructed by the Ministers. Massigli said he would recommend to Paris that he be instructed to proceed on principles *a* and *b* and ask for instruction without making any recommendation on principle *c*. He referred to the possibility of asking HICOM for a report on administrative difficulties in MSB but it was agreed to leave this matter in abeyance until he has received instructions from Paris.

We see no necessity for a report from HICOM preparation of which would delay discussion here and will suggest that this problem can be met by bringing HICOM experts to London (the US expert is already with us). It seems likely that substantive discussions on PLI will begin about the middle of the coming week.

Sent Department Sigto 205; repeated Frankfort 295, Paris 723.

396.1-ISG/11-1150 : Telegram

The United States Delegation at the Intergovernmental Study Group on Germany to the Office of the United States High Commissioner for Germany, at Frankfort

SECRET PRIORITY LONDON, November 11, 1950—6 p. m.

369. For McCloy. Our first run-through of PLI agreement, including discussion steering committee, has been completed. Present position of three delegations are summarized Sigto 254.[1] We are convinced that negotiations will turn on steel production issue and relation of coal and coke supplies to steel production. French delegation has repeatedly referred to extremely difficult position in which the monthly increases of production in Germany place French as respects "beginning positions" of French and Benelux versus German in Schuman Plan [2] and with respect to coal and coke supplies. They have asked us to discuss proposals for implementation of New York steel formula similar to those which they have put forward in HICOM. We and British have told them that HICOM is charged by the Foreign Ministers with working out this formula and have insisted that our problem is to develop a formula to replace interim Foreign Ministers formula.

British have presented series of proposals which go long way to relax present controls. They are apparently prepared to relax controls on the size, speed and tonnage of commercial cargo vessels as part of a general and far-reaching relaxation of present controls. Although the French have formally taken position in most cases that present controls should be maintained or modified only slightly they have indicated to us privately that a satisfactory settlement on steel, including coal and coke, will probably enable them to be "generous" with respect to many of the other production and capacity controls.

Discussions have been inconclusive on two problems, cargo liners and general controls on capacity. The British have not yet given us any views on the former. They acknowledge that some simplification of present methods of controlling capacity is desirable and are prepared to study the proposal we have made. They wish to ensure that any capacity controls which are maintained are fully effective. Discussion and working out this problem will take much time, we believe.

British, in reply to a rather vigorous statement by us of need for HICOM discretion, said that, aside from need for discretion to permit export of otherwise prohibited items (Schedule A and machine tools, Article X, paragraph 1 [3]) to NATO countries, they questioned de-

[1] Not printed.

[2] For documentation on the Schuman Plan, see vol. III, pp. 691 ff.

[3] A reference to Article X, paragraph 1 of the Prohibited and Restricted Industries Agreement, dated April 8, 1949, which prohibited German production of machine tools or other manufacturing equipment designed to produce implements of war.

sirability passing problems to HICOM and opposed granting discretion modify limitations to HICOM.

Our assessment of negotiations at this stage provides opportunity to refer again to question of timing. (HICOG telegram 238, repeated Department 3377, October 23, Tosig 185 October 27 and Sigto 199 October 25 and Sigto 220 November 1.[4])

In reference telegram and in conversations with Douglas and Reinstein, McCloy has indicated steel, HICOM discretion and some number of fast ships for German domestic use may be suitable as an interim arrangement. However, British willingness agree lifting ship speed and size limits is obviously conditioned on broad relaxation because they do not believe they could face political reaction in UK if this limit were lifted except as part of a sweeping relaxation. They also oppose HICOM discretion.

In these circumstances, and in the hope that some acceptable solution of steel and coal problems can be worked out to permit French to be more accommodating, we should like your views on two questions.

1. Should we press ahead on a broad front, as we think we should, to try to get a general relaxation rather than a short-term solution on ships, et cetera? [5]

2. Can and should implementation of New York formula be worked out in HICOM, possibly with some personal attention from you and other HICOMS?

Sent priority Frankfort 369, repeated information priority Department Sigto 255, priority Paris 881.

[4] Tosig 185 and Sigto 220, not printed; regarding telegram 3377, see the first paragraph of Sigto 199, p. 771.

[5] In the margin of the source text next to this paragraph William K. Miller of the Office of German Economic Affairs had written "Yes".

396.1-ISG/11-1750 : Telegram

The Secretary of State to the United States Delegation at the Intergovernmental Study Group on Germany, at London [1]

SECRET WASHINGTON, November 17, 1950—5 p. m.

Tosig 243. Despite apparent continuing Brit and Fr insistence that so long as Occupying Powers retain supreme authority time not appropriate to obtain waiver of claims from Ger, importance to Latin Amer countries as well as other factors makes advisable that subj again be raised. It wld seem that now is most propitious time to obtain such waiver and that deferment until peace treaty in indefinite future will result merely in loss Allied bargaining power. In addition Latin Amer factor, Dept has recd communications with which you are familiar

[1] Repeated to Frankfort as 3680.

from Benelux countries stressing their interest Ger waiver of claims. Another factor is that Amer Cong in considering legis to effect termination state of war might query Dept whether waiver of claims being obtained from Gers.

Dept aware that in accordance IGG (50) 122 Final [2] FonMins have instructed HICOM to draft and enact law for divesting of title to property taken as reparations or by way of restitution. This wld probably eliminate possibility claims involving seizure external assets but Benelux countries have raised question which seems typical of gen fear as to how Occupying Powers propose to insure that FedRep will maintain such law unaltered when powers are relinquished. What they desire of course is some sort of gen waiver of claims from the Ger side which is a final commitment precluding future legal action. Dept itself is not only concerned over action taken by Occupying Powers under supreme authority or by nations in the exercise of belligerent rights while at war with Ger but also over action taken by US or other countries while still neutral which was taken at request of powers at war with Ger. Much Latin Amer action was taken with our encouragement prior to their declaration of war. Two Latin Amer countries took action but never declared war. US took action at request of UK prior to our entry into war. Waiver shld, of course, not be limited to such cases but shld be gen waiver broad enough to cover them in addition to all other claims.

While view has been expressed in Dept that effort shld be made to obtain Brit and Fr consent to linking waiver of claims with termination state of war, this does not seem possible in view definite and unqualified commitment given in communiqué FonMins [3] to terminate state of war. Any stipulation of a condition prerequisite at this stage wld inevitably be considered by Ger FedRep as attempted retraction by Occupying Powers of commitment. Dept wld, however, favor consideration question at next stage ISG with view to obtaining Fr and Brit agreement to ask Ger waiver in connection further revision of controls over Ger. You shld accordingly discuss possibility at alternates level and advise re Fr and Brit reaction your approach which will of course stress importance of waiver to Latin Amer and Benelux countries, and those neutral countries which took safehaven action in post-war period on Allied insistence. As you know, Dept does not insist on a technical waiver if some other form of action can be obtained which will assure barring claims most of which, in practice, are likely to involve collateral actions by private individuals rather than actions brought by Ger Govt itself.

ACHESON

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[2] For the text of IGG (50) 122 Final, Report of the Intergovernmental Study Group on Germany, see vol. III, p. 1269.

[3] For the text of the Foreign Ministers communiqué on Germany, see *ibid.*, p. 1296.

762A.00/11-1750 : Telegram

The United States High Commissioner for Germany (McCloy) to the Secretary of State

TOP SECRET PRIORITY BONN, November 17, 1950—7 p. m.

319. Eyes only for Acheson and Byroade (no other distribution to be made on this cable). Verbatim text. AGSec from Slater.[1] Following is summary report of executive session held between AHC Council and Chancellor Adenauer, Bonn-Petersberg 16 November 1950 (report of routine business contained Bonn's 314 to Department of 16 November [2]).

1. Meeting was held at Adenauer's request to give him opportunity to present his views on general political situation particularly in light of recent Bundestag debate on foreign affairs and rearmament. After disposing of normal Council business, Adenauer presented HICOM with paper he has labeled "*aide-mémoire*", verbatim text of which contained paragraph 2 below. I believe this paper is result of Adenauer's conclusions on Bundestag debate and his feeling that German public was confused, lacked any marked will to resist; was not prepared to make sacrifices in defense of freedom; and in general was not willing to take vigorous position vis-à-vis East. In view of these feelings and tactics of Schumacher and Evangelical church, which appear to be exerting great influence on German public, Adenauer has been looking for something to invigorate the scene. I believe text contained in paragraph 2 below should be read in that light.

I feel very much as Adenauer does that the situation is not good and may be serious. Also I feel Adenauer's outright championship of West has to be supported. We can see no one else who has taken similar stand.

2. Following is verbatim text of paper Adenauer presented to HICOM:

"Although I am of the opinion that a majority of the Bundestag will be in favor of making a contribution to the defense of Europe, the successful agitation of the Social-Democratic Party, radio comments, newspaper articles—including even so-called neutral sheets—still show that the idea of making a contribution and of assuming obligations is not finding the acceptance among the German people that it should. In order to overcome the hesitant attitude of the German people, it will be necessary to convince them that the Federal Republic of Germany is free, or that there is at least the prospect of obtaining complete freedom for it soon, that sacrifices are therefore worthwhile. I urgently ask that the psychological preparation of the

[1] Joseph E. Slater, United States Secretary on the Secretariat of the Allied High Commission for Germany.

[2] Not printed.

German people be made easier by appropriate steps of the occupying powers. Ever since the New York Conference of Foreign Ministers the world situation has grown acute so rapidly that in my opinion, some generous acts towards Germany must be forthcoming from the Western Allies without delay, acts which can be understood by everybody. Otherwise it will be very difficult, if not impossible, to win over the minds of the German people to a voluntary cooperation in the defense of Europe.

I take the liberty of drawing attention especially to the following problems:

I. Revision of the Occupation Statute

The information I have received so far indicates that it is only intended to abolish Allied controls with respect to some items, or to relax them, while maintaining in principle the present system of Allied rule. Under the present circumstances I no longer consider such a revision of the Occupation Statute as sufficient. May I call to mind my memorandum of 29 August 1950 [3] in which I termed it a necessity 'that the relations of Germany to the occupying powers be put on a new basis and that they be progressively regulated by a system of contractual agreements'. I consider that an early realization of this proposal is necessary.

II. Occupation Costs

The question of the amount of occupation costs and of Germany's contribution to the expense of a common defense requires careful examination. The overall extent of Germany's burdens must be fixed by taking into account the special social responsibilities which have fallen upon the Federal Republic, such as the question of expellees from the East and the repair of the most serious war damages. In his address on 17 October 1950 in San Francisco,[4] President Truman had pointed out the interrelationship of strength in dealing with the outside world and social security at home. 'We are strong because of our system of social security', he said. Indeed, outer and inner strength and security cannot be separated from each other. If the Federal Republic were compelled by virtue of the cost of occupation and of the defense of Europe to reduce its contributions for social purposes in spite of increased taxation, the internal security of the Federal Republic would be endangered and the will to defense thereby lowered.

The Federal Republic is willing to have independent neutral experts re-examine its financial capacity taking into account its social responsibilities.

III. Individual Problems

It would seem to be urgent to clear up the following individual problems:

A. Economic:

1. Immediate stoppage of all dismantling, specifically in Watenstedt-Salzgitter, Toging, as well as Dortmund Horder-Huttenverein (10,000 tons forge press).

[3] For the text of Adenauer's August 29 memorandum, see Konrad Adenauer, *Memoirs, 1945–1953* (Chicago, Henry Regnery Company, 1966), pp. 280–281.

[4] For the text of President Truman's speech, see Department of State *Bulletin*, October 30, 1950, pp. 683–686.

2. Considerable relaxation in the field of prohibited and limited industries, specifically unlimited construction of ships for German account.

Authority to operate on the Fischer-Tropsch process production license for Chemischen Werke, Bergkamen.

3. Participation of the Federal Government in all questions of deconcentration and decartelization.

4. Relaxation of the numerous existing controls upon scientific research which would facilitate increased production considerably.

5. Early settlement of the restitution problem.

B. Legal:

1. Halting the extradition of Germans to foreign countries as incompatible with Article 16, paragraph 2 of the basic law.

2. Suspension or termination as quickly as possible of all war crimes trials; commutation of all death sentences not yet executed to sentences of confinement, since capital punishment has been abolished by Article 102 of the basic law; widest possible clemency for persons sentenced to confinement including those serving sentences in foreign countries.

3. Complete restoration of German sovereignty in the administration of justice.

All persons residing in Germany should in principle be subject to the jurisdiction of German courts, with exemptions restricted to a minimum.

4. Restoration of the legal status existing prior to approximately 1933 in the field of radio broadcasting. In view of the acute international and internal political situation existing at present, it does not seem appropriate that the propaganda monopoly of radio is in the hands of persons who are not accountable either to the Legislature or to the government."

3. Cited below in considerable detail are certain remarks Adenauer made in explaining his position and his paper:

a. German military contribution. Adenauer stated that on basis of newspaper reports it appeared that NAT representatives have reached or are about to reach agreement on German participation in form of brigades which would be integrated in US/European army. He stated that although former German generals felt that from military standpoint minimum German contribution should be in division strength, he would agree to German contribution in form of brigades if NAT experts felt that for technical, and not political, considerations brigade strength was sufficient.

Adenauer stated he was not clear what internal reasons SPD had in their opposition as he stated that behind closed door Schumacher had stated his complete agreement with him. He continued that 'there is no point in talking to anybody else belonging to SPD except Schumacher'. Adenauer was convinced that Brauer of Hamburg and Kaisen of Bremen, (both SPD leaders) who do not share opinion of SPD in this matter would not succeed in their deviationist programs either. In his opinion, SPD attitude on German participation was compromised in campaign politics leading up to *landtag* elections in Hesse and Bavaria.

Finally, he stated that he would not make another attempt to have a reconciliation of views with Schumacher as this would only convince

latter that he was entirely right. However, he stressed that if issue of German participation were voted upon in Bundestag, SPD would either abstain or would vote 'yes' but definitely would not vote 'no'. Adenauer had not asked for vote after recent debate even though he knew that he could have achieved majority, as through such vote SPD would have had to commit itself.

Adenauer rejected views expressed by Sandys [5] in Parliament that Western countries should press for European army in order that German units, after present emergency, would not be able to be formed into dependent army. Rather, he believed everything must be done to prevent German brigades, if formed, from considering themselves as a state within a state; not as a special caste but as part of German people and subject to civilian control. He stated that in order "to make this lesson plain to all former German generals," he requested Schwerin's dismissal on basis that Schwerin had started to become involved in politics. He pointed out that Blank, Schwerin's successor, was not professional militarist and had broad civilian background.[6]

b. State of German public opinion. Adenauer stated that German public was not willing to make sacrifices for freedom "and preferred to have other people sacrifice for them." He continued that Communists and certain circles of SPD were capitalizing on this feeling. In this connection, he stated that Molotov at Prague conference gave instructions that conciliatory line be taken towards West Germany and that nationalistic and German unity themes form basis of their propaganda program.[7]

In his opinion, SPD agitation was based on 2 principles; (1) "that it was better for the Germans to be in full possession of their limbs and houses which were intact, even though they were under a Bolshevist regime, than to have broken limbs and live in holes in the ground", and (2) "that the Western Allies were not serious in their pledge to defend West Germany and that they only desired to utilize German troops for stalling maneuvers".

Adenauer continued that Federal Government cannot go very far at this time with their publicity designed to make the German people understand what was at stake as no positive question had yet been put to the Federal Government by the Western Powers. He stated, however, once the question had been put, and with support of the Western Allies, that he had no doubts Federal Government would succeed in winning over large majority of German public support.

In presenting his paper to HICOMS, he stated that it was not a condition or a demand but merely that "something has to be done in order to bring majority of German people to a change of mind".

At this point Dr. Adenauer reviewed in detail his paper placing special stress on the necessity for halting extraditions of Germans.

4. As chairman, I told Adenauer that HICOM would have to study his memorandum before commenting on particular points contained

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[5] For the text of Duncan Sandys' statements during debate on the Council of Europe on November 13, see *Parliamentary Debates*, House of Commons, 5th series, vol. 480, cols. 1408 ff.

[6] Adenauer had appointed Gen. Gerhard Graf von Schwerin as his military adviser on August 11 and replaced him in October with Theodor Blank, a CDU member of the Bundestag.

[7] Concerning the conference at Prague, October 21, see the editorial note, p. 665.

therein. I did state, however, that whereas his paper suggested that certain further fundamental steps be taken, it would be advisable in first instance to clear up matters which are presently outstanding in order that there would be an open stage to cope with proposals he had made. Poncet stated that the points raised by Adenauer were within competence of Allied Governments and not within HICOM's competence. I stressed Chancellor's paper should be handled with great discretion as if it appeared that his paper was a condition put forward as a sort of trade for German contribution, it would have most disastrous effect particularly in US. Adenauer assured Council his paper was not presented as a condition for German participation and that he had not yet discussed these matters with either Federal Cabinet or leading Bundestag members.[8]

McCloy

[8] For another account of this meeting, see Adenauer, *Memoirs*, pp. 302–304.

396.1–ISG/11–1850 : Telegram

The Acting United States Member at the Intergovernmental Study Group on Germany (Holmes) to the Secretary of State

TOP SECRET London, November 18, 1950—3 p. m.

Sigto 273. Distribution in Department as indicated by Byroade. Reference Secto 45, September 24 [*23*].[1] Stevens Foreign Office approached Reinstein informally on question including in PLI agreement some authorization HICOM to permit manufacture light military equipment in Germany. He suggested desirability of including provision for what had already been agreed at New York. He also suggested desirability making provisions for any future decisions on this subject.

US representative indicated our belief that New York agreement did not contemplate any action at this time by way of implementation of permission to produce weapons. I pointed out proposals US Delegation had submitted in ISG would permit HICOM to authorize production for NATO countries of certain types of equipment (not including weapons) which can be produced without special tooling or techniques, (reference ISGG–5 as amended, Tosig 174, October 24, repeated Frankfort 3047, Paris 2161 [2]).

US representative indicated our view was that whole question of production weapons, whether for German use or export, should be related to decisions to be taken on German participation in Western defense and should not be discussed at this time. If PLI revision is completed before decisions reached on defense, there should be clear

[1] *Ante*, p. 723.
[2] Neither printed.

understanding that agreement will be further revised once defense decisions are taken. Stevens said British would consider matter further and agreed not to raise question in tripartite discussions prior consultation with US Delegation. In course of discussions, he referred to US proposal of 26 October (DC/29) on German contribution.[3] He remarked British felt statement as to type of equipment which could be made somewhat restrictive. They had avoided raising point, however, feeling they did not wish to do anything which might interfere with getting French agreement on German contribution.

I would appreciate being informed Department's view as to status of agreements (Secto 45) on preparation and plans for utilizing ministerial potential for production weapons. Would also appreciate statement Department's general approach re extent to which Germans would be permitted, once they have been brought into defense scheme, to produce military equipment. Our thought had been there would be selected limitations on production military end use items designed to prevent Germans from having at their disposal means of production strategic items. These limitations would include some heavy weapons, guided missiles, naval craft and aircraft, for example. (Reference Sigto 219, November 1, repeated Frankfort 314, Paris 750 [4]) US proposal in DC/29, October 26, seems to us considerably more restrictive in its approach. We continue to feel that long term security controls will have to be discussed in relation to effect on German participation in Western defense, and note that US has itself emphasized safeguards in its presentations on this subject.

NAT Deputy Spofford has seen this telegram and is in general agreement.

Sent Department Sigto 273, repeated Frankfort 403 for McCloy, Paris 940 for Bruce.[5]

HOLMES

[3] Not found in Department of State files. Regarding the United States position on a German contribution to the European defense force, see vol. III, pp. 1 ff.
[4] Not printed.
[5] David K. E. Bruce, Ambassador to France.

396.1-ISG/11-2750 : Telegram

The Secretary of State to the United States Delegation at the Intergovernmental Study Group on Germany, at London [1]

TOP SECRET PRIORITY WASHINGTON, November 27, 1950—7 p. m.

Tosig 274. 1. We realize that PLI negots have been complicated by separate negots on Schuman Plan and defense arrangements as re-

[1] Repeated to Frankfort as 3894 and to Paris as 2947.

ported Sigto 268.[2] This msg will put forward our ideas on phasing of relaxation security controls.

2. We see three separate phases. First phase is current situation in which defense arrangements still up in air. Second phase starts after defense arrangements resolved and Ger agrees to contribute mil units to Eur defense forces. Third phase in indefinite future when Ger securely tied-in with West and no longer a potential security threat.

3. We are hopeful that negots on Schuman Plan and defense talks on bringing Germany into Western defense arrangements will be successfully concluded in reasonably near future. If so phase one shld be only brief interim period.

4. On other hand, these arrangements will not in themselves in Fr eyes at least make Ger adherence to the West secure and therefore Fr will be reluctant to agree to Ger armed forces except on basis controls under PLI Agmt which wld deprive new Ger forces of independent source of supply of selected key types of war material.

5. In our view phase 2 controls wld be subj to periodic review and relaxation if as we hope Ger progressively becomes further integrated with Western Eur. We presently envisage however retention hard core of controls over Ger in selected fields including aviation, submarines, atomic energy and special weapons during entire phase 2 and probably even in third phase although obviously until phase three defined more specifically we can not determine what controls feasible or necessary. We agree that gradual relaxation during phase 2 must be done in such way as not alarm Fr or mislead Gers as to firmness of our purpose as suggested Sigto 219[3] but on other hand rigidities in this field may prove equally dangerous to our interests.

6. We shld take care distinguish between first, second, and third phases. (Also important to realize that phase II composed of several stages.) In order obtain Fr consent to adequate discussion second phase once Ger participation in NATO defense organization has been agreed by NATO & Gers it will be necessary agree to reasonable limitations and prohibitions on Ger production selected key military end use items in support of Ger armed forces. In any case we envisage controls considerably in excess of "hard core" referred to above during initial stages phase 2.

7. We are now undertaking review Sched A of PLI Agmt in anticipation that second phase may begin at any time in near future. We propose in particular to define what we have meant in proposals to Fr that Ger production be restricted to "light" weapons. We expect send proposed revision to you shortly, as you requested Sigto 273.

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[2] Not printed; in it Douglas expressed his regret that he had been unable to obtain agreement on the steel problem and other aspects of the PLI, but hoped that when the French delegation returned from Paris, the discussions would move ahead. (CFM Files: Lot M-88: Box 200: ISG Cables 3rd Session 1950 volume II)

[3] Not printed.

8. At present we are in first phase and our instructions were intended to secure relaxations which cld be reasonably made before decisions reached on Schuman Plan and defense arrangements. In Tosig 247 [4] we broadened instructions in light ur judgment that Fr and Brit prepared at this time go much farther than we anticipated.

9. If further delays shld develop, agree Sigto 242 [4] that recommendations shld be on interim basis only. We are now running into various problems in which current provisions PLI are interfering with urgent defense needs. Msg referred to in Tosig 243 [*247*] indicates possible need for rapid decision on aluminum capacity. Understand substantial orders for critical items, in particular fire control devices, are also ready to be placed by MDAP as soon as prohibitions in Group III of Sched A lifted. If agreement not reached in reasonably near future it may be desirable press for prompt interim Agmt on critical items.

10. We have noted ur frequent references to coal and coke supplies as possible key to Fr agmt on relaxation controls. We had assumed here that IAR Agmt meets situation now, and Schuman Plan when adopted wld resolve problem in future, particularly since powers of Schuman Plan auth wld be sufficient to protect coal and coke requirements of steel industry. Wld apprec any further info you have on possible Fr intentions. Sigto 313 and Sigto 314 just recd.[5] Will reply soonest.

ACHESON

[4] Not printed.

[5] Neither printed; in the former, Holmes stated his belief that "the stage has now been reached at which we must move to bring the PLI negotiations to a head;" while in the latter, he reported his feeling that it would be a mistake to discuss German arms production since the United States was "still not ready to take position on subject" and the question was "being discussed in NATO and taking it up in both discussions would be likely to get us into trouble." (396.1-ISG/11-2750)

396.1-ISG/12-150 : Telegram

The United States Delegation at the Intergovernmental Study Group on Germany to the Secretary of State

TOP SECRET PRIORITY LONDON, December 1, 1950—noon.

Sigto 321. 1. We regret reference Tosig 279 [1] that Sigto 314 [2] was not clear as to our questions re discussion of German arms production. We will attempt in this telegram to set forth what we believe should and should not be discussed in ISG and question on which we require answers from Department.

[1] Not printed: it transmitted the Department of State's position on various items in Schedule A of Allied High Commission Law No. 24. (396.1-ISG/11-2750)

[2] Not printed; but see footnote 5, *supra*.

2. At present time, HICOM law 24 permits production of items on schedule A of that law (arms, et cetera) under license from HICOM. However, Article III of PLI agreement prohibits production of any items on schedule A of law 43 of ACA which includes roughly same items. We believe that in ISG discussions on PLI we should do two things. First, we should either revise or provide for revision of schedule A to law 24 in such a way as to eliminate military items which are obsolete, commercial items and items which do not have a significant war potential. We are telegraphing separately for clearance recommendations of expert committee we have established to review schedule A of law 24.[3]

3. The second thing we should do is to remove bar which PLI agreement constitutes to implementation of decisions taken by governments respecting German production for western defense. This can be done by simple change in wording of Article III to provide authorization to HICOM to license production of items listed in schedule A. This we can readily get agreed. However, it will be necessary in addition to agree that authority thus conferred upon HICOM will be exercised only in accordance with instructions given to HICOM by three governments.

4. Question with which we are confronted in ISG discussions is whether and to what extent we should attempt now to agree in ISG upon directives to HICOM on manner in which this discretion should be exercised. USDel has proposed that HICOM be instructed to license the manufacture for export to NATO countries of certain articles other than weapons as Department instructed. British have proposed (reference Sigto 304[4]) a much broader directive to HICOM which raises the whole question of safeguards in connection with German military participation in western defense. We have refrained from entering into discussion on this point.

5. In our view ISG should not attempt to determine what arms Germans should or should not be allowed to produce. This question should be discussed in NATO and not in ISG. As we see process of decision making NATO will reach agreement on what Germans should not produce as part decisions German participation European defense. Three occupation powers, acting in HICOM, will define more exactly and take action to maintain these prohibitions. Production of all other types of weapons will be permitted in Germany under licensing control of HICOM. Occupation powers in HICOM will license production various weapons in given quantities. Basis on which they do this remains to be worked out between HICOM and NATO but need not involve ISG.

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[3] Sigto 320, November 30, from London, not printed (CFM Files: Lot M-88: Box 200: ISG Cables 3rd Session 1950 volume III).

[4] Not printed.

6. The only aspect of German production of military equipment which we had thought might be subject for ISG discussion once US proposal paragraph 4 above had been accepted, was future structure and method of operation allied controls on production military items in Germany. We had thought this might be discussed not as part PLI discussion now but as part discussion paragraph II, directive to ISG. However this subject is already in part under discussion in NATO. In our view it can be carried through to completion in NATO so far as safeguards in form NATO or European political or institutional arrangements are concerned and dealt with so far as problem in control and administration by the occupation powers in HICOM. It is therefore our view that discussion of arms production in Germany should remain in NATO until political and policy decisions on broad problems have been made, at which point it should become problem for implementation by HICOM. Re Tosig 279, we do not anticipate NATO discussion PLI but continuing NATO discussion German production of arms. PLI, except for this question, should continue in ISG until it has been eliminated.

7. Department's instructions required urgently both because USDel ISG must have basis for establishing limits of ISG discussion schedule A, in order to reply to British proposal Sigto 304 and because of statement by British deputy in NATO, in discussion German defense participation, that controls on German production under study by group of occupation power experts, results of which study would be required for deputies consideration of problem.

8. Re tentative US views as to weapons which might immediately after NATO agreement reached be produced in Germany (Tosig 279 November 29) USDel, ISG believes it would be mistake put forward to British and French representatives ISG, who have in our view not fully thought out this problem, tentative US position, even on a personal basis. It would be best, in our view, if US representatives NATO presented an official US view when it is available.

9. Request Department's comments our analysis and instructions our proposals as to responsibility discussion and decision in this field.

NAT deputy concurs.

Sent Department Sigto 321, repeated info Frankfort 490, Paris 1057.

762A.0221/12-150 : Telegram

The United States High Commissioner for Germany (McCloy) to the Secretary of State

SECRET

BONN, December 1, 1950—9 p. m.

348. AGSec from Slater. Verbatim text. Following is brief summary report on meeting between HICOM Council and Chancellor held at

Bonn Petersberg on 1 December 1950, McCloy (US) chairman, Poncet (France) and Kirkpatrick (UK).

1. Major part of discussion was devoted to Chancellor's formal and solemn request that relations of FedRep to occupation powers be put on new basis and that Occupation Statute be superseded by system of contractual agreement and security pact to be progressively negotiated between occupation powers and FedRep, as set forth in Chancellor's memo of 29 August and *aide-mémoire* of 16 November.[1] High Commissioners agreed to forward this request to governments for consideration. Chancellor based plea for declaration by allied government putting allied-FedRep relations on new basis on fact that such declaration was immediately needed to counteract German people's defeatism, which he ascribed to three causes: (*a*) paralyzing fear of possible Soviet action, which he said had been enhanced by Chinese Communist intervention in Korea;[2] (*b*) delay of west allies and NAT nations in reaching agreement on western defense and German contribution; (*c*) success of SPD propaganda that "peace could be maintained by doing nothing". As to first, he said there was public feeling that Soviet danger was even more threatening and impending than at start of Korean conflict. As to second, he said that during NAT negotiations which had been going on for past several months, there had not been a single official consultation with Federal Government, which had to rely on newspapers for its information. FedRep prestige had accordingly suffered because, in eyes of German public and even of coalition parties, Federal Government was responsible for what happened to Germany and German people.

In passing he called Poncet's attention to what he considered serious effect on German circles favoring French-German *rapprochement* of French distrust of Germany manifested by its attitude toward German participation in western defense. As to third point, he said that although other factors had contributed to *Laender* elections results, there was no doubt they had been influenced decisively by SPD agitation and Niemoeller's[3] statements. He was certain SPD would demand new election after Berlin vote.[4] Coalition parties were helpless against SPD propaganda because they could not take position on defense until request for FedRep participation had been made. Although he would not have said so two weeks ago, he now thought that if defense resolution were introduced in Parliament it might be defeated, either because of absences or abstentions by coalition deputies in Bundestag or, if a majority were obtained in the Bundestag, by a possible SPD majority

[1] Transmitted in telegram 319, November 17, p. 780.

[2] For documentation on the Chinese Communist intervention in Korea, see vol. VII, pp. 731 ff.

[3] Martin Niemöller, President of the Evangelical Church in Hesse and Nassau, who opposed a German contribution to a European army.

[4] For documentation on the election in the Western sectors of Berlin on December 3, see pp. 818 ff.

in Bundesrat resulting from recent elections. He said that "A catalogue of controls" withdrawn by allies was inadequate to enable him to resist the trend of parliamentary and public opinion. He advanced following further arguments for new declaration by allied governments:

(i) World conditions have so developed in past year that there is community of interest between other western nations and FedRep which could not have been foreseen a year ago;

(ii) Additional allied troops now to be stationed in Germany come as defense, rather than occupation, forces and it is therefore unsuitable that their presence in Germany should be based upon an occupation statute;

(iii) Declaration putting allied-German relations on new footing will have to be made one day in any case, and it is psychologically better and will be to greater credit of allied governments to do it now rather than after continuous urging by Federal Authority. In this connection he said that concessions made at New York would have produced greater effects on German opinion if they had come as gift without conditions in form of undertaking.

Chancellor concluded first statement by saying he realized immediate change in present relations was impracticable, but that in any event governments could make declaration and establish committees to begin negotiation with FedRep committees on contractual agreements governing new phase of relations. He then asked High Commissioners to support with their governments his request for contractual status.

In reply I pointed out that allied officials in public statements had already emphasized change of character of allied forces in Germany from occupying to defense forces, but said that since important legal rights flowed from fact of occupation, very careful consideration would have to be given to any change, particularly as regards status of Berlin.[5] There had been a tendency on Chancellor's part to overlook boldness of steps taken in New York in his anxiety to appear no less exacting before German public than opposition leaders and urged federal ministers to take more positive attitude.

To Chancellor's point that conditions had been attached to New York decisions, I pointed out that security guarantee, interim decision on steel and ships, and reinforcement of allied troops had been taken with no conditions laid down and that first of these, at least from point of view of US public, represented a phenomenal departure. Specifically, on matter of debt undertaking, I said that point had been missed in not explaining to German people that this was looked upon in New York not so much as condition but as progressive step by which FedRep could now assume responsibility for debts and obtain credit status with rest of world without waiting for peace treaty. I further pointed out exceptional character of provision that settlement

[5] For documentation on the status of Berlin, see pp. 818 ff.

plan should take into account FedRep ability to pay. As to recent FedRep proposals on draft undertaking, I said that if reasonable attitude were adopted on both sides I believed agreement could be reached, but that in any event we could not accept alteration of time period for undertaking on post-war debts arising from economic assistance. As to undertaking on allocation of scarce materials, I said this followed from security guarantee and was simply a statement of commonalty of interest in security between FedRep and other western nations.

In second part his remarks, Chancellor replied to question by Poncet as to whether he thought declaration by governments would in fact secure parliamentary majority and public support for FedRep contribution to defense by outlining a propaganda campaign which coalition parties were planning as soon as request for FedRep defense contribution were received. After receipt request, Bundestag would not be convened for two weeks to enable coalition deputies to take case to people. In this campaign, he said that declaration would have decisive effect and that, without it, coalition deputies might either absent themselves or abstain from voting.

Kirkpatrick welcomed proposed campaign and urged Chancellor, following technique employed by Churchill with success during war, to make an appeal to sense of duty of individual German "in emergency confronting western civilization".

[Here follow numbered paragraphs 2–7 which reported on other subjects discussed by the High Commissioners with Chancellor Adenauer.]

Sent Department 348; repeated info Frankfort 389, Berlin 142, Paris 79, London 83.

McCloy

396.1–ISG/12–150 : Telegram

The United States Delegation at the Intergovernmental Study Group on Germany to the Secretary of State

SECRET PRIORITY London, December 1, 1950—midnight.

Sigto 327. Byroade and Perkins,[1] McCloy and Bruce. Limited distribution. Heads of delegations ISG held special meeting on PLI today at request French delegation. Massigli briefly reviewed progress of discussions, indicating he appreciated efforts US and UK meet French viewpoint. Distance between delegates was not very great and agreement could probably be reached quickly. However, while discus-

[1] George W. Perkins, Assistant Secretary of State for European Affairs.

sions had been going forward, situation in Germany had changed. Adenauer's recent requests, election in Germany and other difficulties had created new situation. The steel problem had been resolved temporarily in manner which would work at least for a while by HICOM. The revision of PLI was therefore not an urgent problem.

Massigli suggested that it would be unwise for allies in these circumstances to give up as important a bargaining card as relaxation of industrial limitations before discussions with Germans on defense arrangements begin. He said the French HICOM in Germany was greatly disturbed at multiplicity of German demands and feared that allies were dissipating their bargaining power. He proposed that PLI discussions be adjourned for some weeks, after which they could be resumed and quickly concluded. In further discussion he indicated that period of time of recess would be from 3 to 6 weeks.

Gainer and Holmes expressed concern regarding effects of suspension of discussions, pointing out that Foreign Ministers had announced in New York that PLI would be reviewed. Gainer said he had just been informed by telephone from Germany that difficulties re German debt acknowledgment would be resolved within the week and New York decisions could be carried into effect. He feared that suspension of talks would have extremely unfavorable political effect in Germany and might upset arrangements now being worked out. In addition US representative pointed our [*out*] urgency lifting restrictions which were obstacles to Western defense and prevented additional German production of materials in short supply. Both Gainer and Holmes agreed that any announcement concerning PLI should be deferred until after Germans had signed debt acknowledgment. Holmes and Gainer made several attempts to find basis for continuing discussions with view to reaching interim agreement, but Massigli made clear continuation of discussions would have no result. He said alternatives were either to recess discussions as he proposed or to submit report to Foreign Ministers which would be disagreed. Such a report would not reflect true situation since there is greater measure of agreement than would be reflected in report. It was eventually agreed to adjourn discussion until Monday.[2]

After meeting Holmes suggested to Gainer that Bevin discuss matter with Schuman, who arrives in London tomorrow with Pleven,[3] in effort to modify French position.

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[2] In Sigto 343, December 5, from London, not printed, Holmes reported that the "heads of delegations' meeting PLI postponed from yesterday, was cancelled today on French initiative in view inability Massigli add anything to statements made previous heads of delegations' meeting." (396.1–ISG/12–550)

[3] René Pleven, Prime Minister of France.

After meeting described above there was informal meeting of alternates at request of Gilet, French alternate, who said he wished make position stated by Massigli more precise. He was exceedingly frank. He said he had no authority engage in any negotiations except on one or two minor points. He would not be able in any report to agree to positions which he had offered in discussions to date, dependent upon agreement on steel (i.e. elimination of restrictions on chlorine, ammonia, aluminum et cetera). He had made every effort during his last visit to Paris to find some method of carrying on discussions, but without success. He explained that Minister of Defense [4] was unwilling to clear any positions involving relaxation of controls until question of German participation in European defense had been settled.

Gilet went on to say he had discussed PLI negotiations in 2 sessions of 1 hour each with Schuman and had obtained no relaxation of French determination not to agree action at present time. He had asked Schuman whether this meant he was prepared to renege on the New York Foreign Ministers' decision review PLI.

Schuman had told him he had signed New York agreement in good faith but three basic factors had been radically altered:

(1) Agreement on defense which had been expected by October 10 had not yet been reached;

(2) Coke shortage had emerged, and

(3) Germans had begun to make extensive demands on occupation powers. Schuman said he was willing accept responsibility for position which French Government felt forced to take.

Gilet emphasized that suspension of discussions would not be of long duration. He said discussions could go on for another week on various minor points, with which he could deal, after which they could be recessed for 3 or 4 weeks over Christmas without fanfare.[5]

Sent Department 3234, repeated information Frankfort 496, Paris 1065.

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[4] Jules Moch.

[5] In Sigto 328, December 2, from London, not printed, Holmes reported his appreciation of the situation that had developed with regard to the PLI. He was "extremely doubtful" that there would be any change in the French attitude, and this left three possible courses of action open to the United States: (*a*) to continue efforts to reach some kind of interim agreement. This would involve minor changes and adversely affect German opinion, (*b*) to put off temporarily further review of the PLI and try to get the High Commission to resolve some of the outstanding problems, or (*c*) to recess the discussions until the first week in January, at which time the United States could choose among several alternatives including an interim agreement, while the pressure on the French to do something would have had a chance to work. (396.1-ISG/12-250) The Department of State replied that if the French position remained unchanged, it preferred the third course. (Tosig 290, December 2, to London, not printed, 396.1-ISG/12-250)

396.1–ISG/12–150 : Telegram

The Secretary of State to the United States Delegation at the Intergovernmental Study Group on Germany, at London[1]

TOP SECRET PRIORITY WASHINGTON, December 7, 1950—7 p. m.

Tosig 304. Pass to Spofford.

1. Urgency of solution to jurisdictional problem raised in Sigto 321 may have been overtaken by events reported Sigto 328.[2] Wld apprec ur and Spofford's comments on fol.

2. We found Sigto 321 very helpful in drawing line of distinction between NATO and ISG re Ger Arms production. We agree discussion this subj shld continue in NATO within context MC 30[3] and shld not be transferred to ISG at present (re Brit statement para 7 Sigto 321).

3. We believe essential maintain distinction between role NATO and three occ powers. NATO is concerned with formulating conditions under which Germany will be offered opportunity to participate in common defense. This decision is not self-executing. It remains for the three occ powers to act upon this proposal and also upon Germans to take necessary action. We assume NATO decision therefore will be on a contingent basis and will depend upon further action by three occ powers and Germany before practical results are achieved. As matter of fact, we anticipate that there may be inevitable time lag between NATO decisions and further development since three occupying powers will have to work out strategy for inviting Germany to participate in common defense. In the meantime however it seems to us that the principles which NATO will formulate shld be elaborated by the three Govts in detail so that they can be put into effect whenever the other problems have been resolved.

4. We are not clear on procedure you propose. Pls explain statement para 6 Sigto 321 that PLI Agmt is to be eliminated by ISG. In our view, PLI Agmt is instrument for specifying controls over Ger industry for security reasons, whatever scope of these controls may be. We believe PLI Agmt or similar Agmt as amended from time to time shld continue as long as any controls are maintained by occ powers.

5. Any statement indicating that NATO will decide what arms Ger will be allowed to produce shld be avoided. This decision must be made by three occ powers and expressed through amendment PLI Agmt. Decisions by NATO in this field are only recommendatory. Since three occ powers are members NATO, there is no doubt as practical matter that NATO decisions will be put into effect. Believe distinction is im-

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[1] Repeated to Frankfort as 4138, to Paris as 3141.
[2] Not printed, but see footnote 5, *supra*.
[3] Regarding MC 30, see Depto 228, November 27, vol. III, p. 488.

portant, since converse is also valid that three occ powers can act in absence NATO decision.

6. Since NATO has in fact been discussing question what arms Ger will be allowed produce as part of larger problem Ger participation Western defense, believe NATO is proper forum pursue discussion until problem Ger participation disposed of. NATO recommendation on what arms Ger will be allowed produce then be referred to three occ powers for decision.

7. We wld appreciate further explanation suggestion para 5 that NATO agree gen principles and that three govts then assign task to HICOM of working out details. This appears to look toward slower timetable than we had hoped might be possible. We note also your belief para 8 that Brit and Fr have not thought out their position yet. It might be desirable to have details worked out within specified brief period of time at governmental level, perhaps by *ad hoc* comite of military experts. Final recommendations wld then be written into governmental agreement and HICOM law.

8. We do not see basis for direct relationship between NATO and HICOM, such as you refer to in last sentence para 5 Sigto 321, except thru national elements, at least for time being.

9. As stated Tosig 270 [4] we approve proposal para 2 Sigto 321 modify PLI Agmt including annex in order to eliminate unnecessary restrictions relating to items used by military estabs.

10. We agree with step proposed in para 3 Sigto 321 of authorizing HICOM to license any article on Sched A. This means that HICOM wld act according to instrs issued from time to time by three govts. This wld be useful procedural device if at later time method can be found of relating HICOM licensing to decisions of NATO as to requirements. We had however assumed from earlier messages such as Sigto 219 [4] that Fr and Brit wld want duration so-called long term controls to be defined more precisely than you now suggest in paras 2 and 6 Sigto 321.

11. We assume that final product ISG will result in revised PLI Agmt which will embody principles as to Ger arms production formulated by NATO, and will also dispose of question of duration, review and amendment. This wld of course also dispose of secret minutes.

ACHESON

[4] Not printed.

740.5/12-1250 : Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfort [1]

SECRET PRIORITY WASHINGTON, December 12, 1950—1 a. m.

4222. Eyes only McCloy from Byroade. Re Deptel 4183 Dec 9.[2]

1. Kind of settlement with Ger which we now believe necessary to plan as "contractual arrangement" shapes up roughly as folls.

2. Basic assumption is that Ger gives evidence of desire for continued cooperation with West and is willing to enter defense arrangements with West, either through an integrated Eur defense structure or directly through NATO. Further assumption is that Schuman Plan is agreed and put in operation and that there is continued progress with Ger membership in international organizations, including GATT and IMF.

3. Agreement, contract, treaty or whatever we choose to call it, will be entered into by US-UK-Fr and Ger whereby 3 powers wld agree to relinquish supreme authority (except for Ber), abolish HICOM, terminate Occ Stat and appoint Ambassadors. Ger wld undertake limited number of commitments, concerning *inter alia* war criminals, human rights, Danish minority, internatl agreements and orgs, restitution, waiver of claims, perhaps deconcentration, and recognition of status of Austria. Ger wld also accept long range security limitations along lines of those presently embodied in MC 30 [3] (in lieu of PLI). Question of enforcement of continued purely negative controls such as above (and of type that wld normally be included in peace treaty) is major problem. We wld regret the continuation of a formal tripartite board such as MSB under conditions of Ger military alliance with West unforeseen at time of creation that board. Fortunately, a form of positive control of this situation presents itself through normal functions of production and supply side of NATO in that major decisions as to production in Ger will be made in that forum on which occupying powers already sit. The Schuman Plan, if successful, is itself a big factor in question of continuation of tripartite control agency over Ger industry. Under conditions we anticipate, it seems that MSB could be little more than an intelligence agency and that this function cld be adequately handled by the Allied Embassies and the presence of their forces in Ger. We therefore conclude that we shld solve this problem by insuring that Ger accepts by contractual arrangement those limitations which we wld wish imposed in a normal peace treaty and that formal control machinery on the ground in Ger

[1] Repeated to London as 2994 for information eyes only for Holmes to be passed to Reinstein and Gerhardt.

[2] Not printed.

[3] Regarding MC 30, see Depto 228, November 27, vol. III, p. 488.

shld be given up. Inasmuch as Govts will in any event have info of major violations and counter action thereto will depend entirely upon will of Govts it seems we may as well adopt normal peace treaty procedures on this point.

4. NATO countries and Ger wld conclude agreement whereby Ger assumes same relationship to NATO as other Eur countries, wld assume appropriate military and economic contributions, wld enter into Civil Affairs agreement providing for NATO troops.

5. Multilateral treaty or treaties between Ger and countries at war with her (and perhaps "neutrals") wld include claims settlement or pledge thereto, waiver of claims, commitments as to foreign interests and civil aviation.

6. Bi-lateral treaties (at least in US case) wld deal with radio frequencies, ECA, foreign interests and perhaps cultural affairs.

7. At such time as 3, 4, 5 and 6 are prepared, they wld be finalized concurrently, always providing no major hitch had invalidated assumptions 2.

8. It is obvious that agreements of foregoing type will in fact amount to final settlement with Ger except for one or two presently insoluble questions such as boundaries. Even here it may be necessary to face squarely Saar problem as Schumacher has already served notice this must be settled before military participation by Ger.

9. Pending conclusion these arrangements it is our thought that we will have succeeded in diverting some attention from Ger problem through a Brussels communiqué and that major efforts will be underway to develop the rest of the integrated defense plan. Our thought is that in Brussels communiqué we cld include para on Ger (this in addition to major theme of communiqué along lines para A(1)*a* of 4183 [4]) as folls:

"The Council accepted the report from the Deps concerning possible Ger participation in integrated defense force. It noted that there is agreement that such participation is possible and that many of military and technical details can be appropriately arranged. It will be task of the Occupation Powers to formulate political proposals which, together with the technical plans, can be discussed with Fed Govt of Ger. It was agreed that early success in negots to be held in Paris at initiative of Fr Govt on creation of integrated Eur military and political institutions will greatly facilitate development of political proposals by Occ Powers."

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[4] This paragraph reads as follows:

"(A) In NATO:

(1) Insure that communiqué on NATO Deliberations:

(*a*) Clearly states the reasons for and nature of the integrated force for the defense of freedom in Europe. This should be a carefully drawn declaration of the twelve powers designed to set a sound moral basis for the defense effort. Such a statement by its nature would tend, at least by implication, to present the reasons for German participation, and place this issue in proper context."

10. Request your comments urgently on above as general framework of "contractual arrangements" that might be used if required in discussions in Brussels. [Byroade.]

ACHESON

396.1–ISG/12–1350 : Telegram

The United States Delegation at the Intergovernmental Study Group on Germany to the Secretary of State

TOP SECRET PRIORITY LONDON, December 13, 1950—9 p. m.

Sigto 384. Department limited distribution. Re your 4222, December 12 to Frankfort, repeated London 2994.

1. Your telegram gives substance to concept of contractual arrangements which, as we indicated in Sigto 378, December 12, repeated Frankfort 619, Paris 1156,[1] we felt was needed in order to enable judgments to be made as to how to go forward. We recognize that it is a blueprint, what is not entirely clear to us is extent to which the various proposals would be disclosed in discussions with Germans and necessarily before that with the British and French.

2. We recognize that arrangements of general character described in reference telegram are logical end of road WE powers have been following since 1948, in absence of agreement to unify Germany. The general development and substance of contractual arrangements appears to us to be along right line although there are undoubtedly numerous points of detail which require study. However, there are two aspects of the proposals which seem to us to be of major importance and regarding which we have serious questions:

a. Is it necessary and is it wise to define at this time the abandonment of supreme authority in Western Germany as one of the essentials of the package? We have difficulty in seeing how it can be abandoned with respect to Western Germany without affecting Berlin situation. Whatever legal justification could be made for such a decision, we wonder whether it would not afford Soviets ground for asserting we had abrogated Four-Power arrangements respecting control of Germany, including Berlin, and that they therefore cease to have legal effect. Although Soviets have accused us of violating these agreements, we do not believe they have up to now denied their continuing legal effect.

Another facet of this question is whether decision to terminate supreme authority will not force us into consideration of all outstanding questions with Germany, including frontiers and all unsettled claims, et cetera. It would be difficult to continue to maintain position that these questions will be settled in peace treaty. We recognize that you intend to deal with many of them and are prepared to face eventuality of dealing with others. Our question is whether prior decision to terminate supreme authority will not deprive us of any flexi-

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[1] Not printed.

bility in choice of questions we are prepared to deal with, both in our relation with Germans and with other Allied countries.

b. We are also concerned with your suggestion that no method of enforcement of negative military controls be retained and that we rely instead on "normal peace treaty procedures". We do not believe that such procedures would have any effectiveness. We wonder whether we should give up controls in the military field and the atomic energy field on the basis of having reached agreements of the character described in your telegram, or whether such action should not be left to a later stage.

3. With regard to both foregoing points, is it really necessary to go as far as proposed for purposes of getting German participation in defense, since balance of your proposal would in fact give Germans equality. Various agreements you propose involve fundamental questions. It seems to us difficult to make them except as treaties. Taken together with abandonment of supreme authority and German rearmament, they virtually place final seal on division of Germany. Do you think that Germans would wish to take such degree of initiative, or might they not prefer to have some link left with Eastern Germany such as the fiction of supreme authority might provide.

4. We do not think the British are ready at this time for a step as drastic as you contemplate. While we believe that they recognize the inevitability of the restoration of German independence, we think they would want more controls than you envisage. As reported in Embtel 3417, December 12, repeated Frankfort 617, Paris 1150,[2] we do not believe that they are prepared to abandon supreme authority. As seen from here, we believe that your full proposal would be bitterly opposed by French. Possibility of Four-Power meeting and French anxiety to have another go with Soviets,[3] which is shared to lesser extent in this country, would make acceptance at this time by British and French of your complete package extremely unlikely.

5. Your proposals do not provide for participation by or consultation with smaller Allied countries except as they would be brought into negotiations of treaties referred to in paragraph 5. Believe their relationship requires further consideration.

6. Re paragraph 10 your telegram, we would urge that, if proposals of kind you have in mind are to be put forward at Brussels, they should be stated in very general way. As stated above, proposals set forth reference telegram are logical conclusion to policy we have been following. However, they would be a terrific jolt to British and French and should not be thrown at them without careful preparation.

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[2] Not printed.

[3] For documentation on the Soviet note of November 3 to the United States, United Kingdom, and France, calling for a meeting of the Council of Foreign Ministers, see pp. 902 ff.

We note reference telegram was not sent Paris. Department may wish to consider repeating it and this message to Paris.

Sent Department Sigto 384; repeated information Frankfort 628 eyes only for McCloy.

740.5/12–1450 : Telegram

The Secretary of State to the Embassy in the United Kingdom [1]

TOP SECRET PRIORITY WASHINGTON, December 14, 1950—8 p. m.

3054. Eyes only for Holmes and Bruce for action, pass to Spofford and McCloy for info.

1. Foll summarizes position Sec proposes take at Brussels on Ger problem. He desires these views made known to Bevin and Schuman as his present thinking. He has not as yet, of course, had benefit HICOM views which wld be particularly important in these matters.

2. Ger opinion, judging by all available evidence, has so deteriorated that any proposal along lines of interim plan agreed by Deps,[2] wld meet rejection and counter-demands. Consequently, no proposal as such shld be made until three Powers are in position to negotiate satisfactory political as well as military agreement with Gers.

3. The task ahead will therefore be to work out a plan which will give Ger substantial polit freedom and equality at such time as she wld enter defense arrangements. This, in our concept, means acceptance of idea of putting our relations with Ger largely on "contractual basis". (Our idea of "contractual basis" is sketched roughly in Deptel 4222 to Frankfort, Dec 12.)

4. Two things have a most important bearing on how problem is to be worked out. They are: (*a*) success of Schuman Plan and (*b*) success of efforts to be made at Paris mtgs to form Eur army [3] with necessary polit unifying machinery. If these two moves make progress, way toward ending occupation controls will be much easier all round.

5. Agreement shld be reached therefore that HICOM will meet with Adenauer on informal confidential basis and give him for his info only, but not as proposal, results of Deps work including info on Atlantic force. He shld be told that info is not put forward for Ger acceptance or rejection at this time, that formal or official response was not desired and that impression must not be given that Allies have made formal request of Gers. We desire avoid any basis for

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[1] Repeated to Paris as 3281 and to Frankfort as 4315.

[2] For documentation on the NATO Deputies interim defense plan, see vol. III, pp. 1 ff.

[3] For documentation on the Paris discussions of representatives from the NATO countries concerning the formation of a European army in the fall of 1950, see *ibid.;* further documentation on these talks in 1951 is presented in *Foreign Relations*, 1951, volume III.

growth of idea that proposals had been made by us, and rejected with counter-demands by Chancellor. Adenauer shld be told further that we consider Germany's participation in defense arrangements shld logically be accompanied by further modification of our position as occupying powers and that three powers were undertaking further work in this regard. He shld be told that these plans, when more fully developed, will be put on table for fullest discussion with his govt and that meanwhile, ideas expressed in his *aide-mémoire* presented to HICOM on Nov 16 [4] will be considered. Finally, and we regard this as most important, HICOM shld clearly indicate to Adenauer that development of our proposals will be greatly influenced by success or failure of Schuman Plan and coming Paris talks and that anything he can do that will contribute to agreement will be helpful.

6. Agreement shld also be reached in Brussels that immediate start shld be made by Three Powers on developing possible proposal for contractual arrangements. This task shld in first stage be undertaken by ISG on Jan 15, who wld immediately recommend reference to HICOM of those matters which can appropriately be worked out jointly with Gers prior to tentative agreement among Allies. ISG shld consider as its terms of reference ideas and plans of procedure set forth in paras 3, 4 and 5 above. It shld not strive for perfection of detail, but shld seek recommendations on broad outlines of a plan or alternative plans which cld be submitted to Govts for HICOM by Feb 28 at outside. This wld allow time for initial planning on broad lines and wld also give time for development of Paris mtg. After Govts have passed ISG's plans to HICOM with comments, latter cld develop final plan, with continued assistance of ISG as appropriate, in consultation with Gers always bearing in mind final negots wld be reserved until total three-power plan substantially completed.[5]

7. Foregoing proposals make imperative to de-emphasize Ger aspect of defense planning as much as possible for present. We believe Brussels communiqué shld heavily accent agreement on all other phases of integrated defense plan and confine itself on Germany to something on lines of text in para 9 of Deptel 4222, Dec 12, to Frankfort, (rptd London as 2994 Paris as 3272).

8. In referring to "contractual agreement" you can speak from above referenced telegram, omitting reference to any proposal to relinquish Supreme Authority or MSB arrangement as our thinking on these subjs still tentative. We will expect to give ideas on "contractual agreement" in better form to Brit and Fr at Brussels, but for info

[4] Transmitted in telegram 319, November 17, p. 780.

[5] In telegram 4316, December 14, 11 p. m., to Frankfort, not printed, Byroade elaborated on the division of responsibility between the ISG and the High Commission with regard to the negotiation of the contractual agreements. He felt that the most satisfactory procedure would be one in which McCloy would remain free to give his individual recommendations from time to time after he had discussed the various questions with the Germans. (396.1–ISG/12–1450)

only as we consider impractical to try to reach any agreement on such matters there. In short, we will confine our attempts to reach formal agreement to points covered in paras 5 and 6, on basis of assumptions contained in paras 3 and 4.

It is not intended at this stage that you discuss text of portion of communiqué on German aspect with Brit and Fr.[6]

ACHESON

[6] On December 15 Holmes discussed the substance of this telegram with Bevin who expressed similar views. Bevin agreed that the Western powers would "ultimately reach a position of 'contractual relations' with Western Germany but felt that we should reach that position by negotiating step by step," and Holmes believed that he could probably be persuaded to agree to tell the Germans "that our objective is to reach that point provided they, the Germans, do what is necessary to permit us to change our relationship." (Telegram 3482, December 15, from London, not printed, 740.5/12–1550)

CFM Files : Lot M–88 : Box 154 : USDel Min 1 & 2

United States Delegation Minutes of the Meeting of the Foreign Ministers of the United States, United Kingdom, and France [1]

SECRET BRUSSELS, December 19, 1950—5 p. m.

MR. BEVIN, who served as Chairman of the meeting with the consent of all present, said the first thing to be decided was the method of approach to the Germans on the issue of German participation in the European force. He said we must consider both the tactics and policy involved.

MR. SCHUMAN said it would be interesting to hear the High Commissioners' views on these issues.

MR. FRANÇOIS PONCET spoke first for the High Commission. He said that he thought one thing was clear. Dr. Adenauer does not want to be forced by a formula which would require a yes or no vote in the Bundestag. He said that if such a vote took place now, the answer would be negative. Chancellor Adenauer wanted to be presented with a draft resulting from the Brussels Conference which the High Commission and Dr. Adenauer could discuss freely and fully. If the conclusions arrived at in these meetings were approved by the Foreign Ministers and the North Atlantic Treaty Council, they could then be made public. In conversations which had been held with Dr. Adenauer, it appeared clear that the formula of the European army [2] was the one which had most appeal to the German Government, parliament, and

[1] Attached to the source text was a cover sheet, not printed, which contained a table of contents and indicated that the meeting was held in the Palais Provincial at 5 p. m. A set of draft summary minutes of the meeting is in the CFM Files : Lot M–88 : Box 154 : BFM Memo #1.

[2] For documentation on the compromise formula for the European army arrived at during the sixth session of the NATO Council, December 18–19, see vol. III, pp. 585–595.

public opinion. He said the reason for this was that the working out of the plan for a European army, to be undertaken at a conference in January, would give the Germans an opportunity to take their place on a basis of equality with the others. Chancellor Adenauer would probably be convinced that the formula agreed to in Brussels was satisfactory.

Mr. François Poncet continued by saying that he would like to draw the attention of the three Ministers to a very delicate point. Even if agreement resulted from the Commissioners' meetings with Adenauer, the Chancellor might not be able to get his Parliament to agree. This could happen even though no text was handed to Dr. Adenauer. For example, a vote could be taken on an interpolation. This had already occurred in the case of the undertaking which had been requested regarding German debts. While Dr. Adenauer had agreed, the Bundestag Committee had refused to support him. The High Commission had for some time noted an attitude of opposition to the High Commission and the Allies on the part of the Bundestag. It would be necessary for the Foreign Ministers to decide whether to avoid the debt issue or whether to do something about it. He pointed out that the arrangements agreed by the Ministers at New York were dependent for their entry into force on two conditions. Those things which were to be done unconditionally had been conceded to the Germans immediately, but the matters which were subject to conditions had not advanced a step. The High Commission is agreed that, before anything further is done, the Ministers should insist that the New York decisions be carried out.[3]

Mr. François Poncet said that it was important for the Ministers to bear in mind the state of German public opinion. The recent speeches by Schumacher and Niemoeller, the Grotewohl letter,[4] and the possibility of a four-power meeting have all made a significant impression in Germany. The idea of neutralization has gained ground very rapidly. Finally, the Chancellor has asked on three or four occasions that the Occupation Statute be replaced by a contractual arrangement. He did not ask that this be done immediately. Two weeks ago, he said that he wished to see some indication of Allied willingness to move in this direction.[5] The High Commission felt that it would be necessary to make some response to these requests.

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[3] For the text of the New York Foreign Ministers decisions on Germany, see Document 37 Final, September 19, vol. III, p. 1286.

[4] Regarding Grotewohl's letter to Adenauer, November 30, calling for the establishment of an all-German Constituent Council to pave the way for all-German elections, see telegram 811, December 7, from Berlin, p. 668.

[5] Regarding the meeting of the Allied High Commission with Adenauer on December 1, see telegram 348, December 1, p. 789.

Mr. McCloy said that he could confirm the accuracy of Mr. François Poncet's report. He had recently seen the Chancellor,[6] who had underlined the need for a free exchange of views after the Brussels meeting and the need for placing Germany on a status of equality at an early date. Mr. McCloy agreed that a decision needed to be taken on the status of the New York decisions before going into the rearmament question. The time had come to make clear to the Germans that the New York decisions must be implemented before any progress could be made. He thought that the Allies should consider any proposals made by the Germans as to the drafting of the debt acknowledgment.

Mr. McCloy agreed that Dr. Adenauer laid great store on contractual arrangements. He thought that Dr. Adenauer hoped by obtaining such arrangements to regain some of the ground which had been lost in the recent elections. Dr. Adenauer had indicated to him that he would be satisfied if the Foreign Ministers could make clear, without necessarily accepting the concept, that they did not reject it. Mr. McCloy said that this was a period of considerable unrest in Germany, owing to the recent elections and the Far Eastern situation. All of this had been accompanied by increased Communist activity and pressure. The situation is delicate, but if it is tactfully handled he did not despair of success. With regard to negotiating with the Germans on political questions, Mr. McCloy said that he thought that so far as we could we should proceed on the basis of the Germans making offers to us rather than our making offers to them. He said that if Dr. Adenauer had in mind the establishment of the contractual relations, he should come to us rather than have us go to him.

Sir Ivone Kirkpatrick said he had nothing to add to the statements made by his colleagues.

Mr. Bevin thanked the High Commissioners for their views and then asked for discussion by the Foreign Ministers.

Mr. Schuman said that, with regard to the approach to the Germans on their military participation, he believed the NATO communiqué[7] showed the way and conformed to the High Commissioners' feelings in the matter. The communiqué stated there had been no decision on the matter of German participation but that a unanimity of view had been reached by the NAT countries which had suggested that the High Commissioners work the problem out with the Germans. The Allies must not give the impression that they had reached a decision but rather that there would be negotiations with the Federal Republic on the basis of the Brussels meeting.

Mr. Schuman said the next question was how to get the New York decisions implemented. He agreed with what the High Commissioners

[6] For a memorandum of McCloy's conversation with Adenauer on December 16, see p. 674.

[7] For the text of the NATO communiqué, see Department of State *Bulletin*, January 1, 1951, p. 7.

had said on this point. We must have complete and rapid decision by the Germans on the New York decisions before proceeding further. The acknowledgment of the debts was more theoretical than practical, but since we had decided we wanted it, we must get the Germans to go along.

Mr. Acheson said he agreed we should not make a proposal to the Germans which they could turn down now and then use as a basis for a counter proposal. He thought the High Commissioners should inform Dr. Adenauer of the Brussels proposals and discuss them with him. He said our general attitude should not be that of urging the Germans to come along. While it was very important to obtain a German contribution to defense, he thought we would get farther by not pushing the matter with the appearance of too much haste.

Regarding the question of acknowledging debts, Mr. Acheson said he agreed with Mr. McCloy and that this was an action which the Germans should take. It was as much in their interest as in ours. He said we should not insist on particular language. He agreed with Mr. Schuman that there was an air of unreality to the matter, since all of the debts would have to be scaled down. The Ministers should not necessarily decide this question for all time, but they should take the line now that the acknowledgment should be given. They should not take a mere statement by Adenauer as being sufficient. He did not think we should refuse to discuss anything else with the Germans until the acknowledgment had been given but that we should refuse to put anything into effect until it had been given.

With regard to the other question, he thought we ought to indicate willingness to make a change in the occupation regime. We should tell the Germans that the Schuman Plan would help in bringing about a change and that the success of the forthcoming Paris talks would have a great bearing on the matter. We should be willing to discuss any ideas which the Germans had. The High Commission should carry on the discussions with the Germans. It is desirable that our ideas be lined up for these discussions. The work should be divided between the High Commission and the Intergovernmental Study Group on Germany. The ISG should deal with technical problems requiring study and the High Commission should deal with those on which progress could be made most rapidly by discussion.

Mr. Bevin said that he thought the minds of the Foreign Ministers were moving along in the same direction. He was concerned about being too hasty with the Germans on the defense matter, particularly since several things seemed to be running together. He mentioned the possibility of four power talks in this connection. He said that he thought the High Commissioners should take the report on Brussels to Dr. Adenauer and ask him to study it. It was agreed that no written text would be presented.

Regarding implementation of the New York decisions and the question of whether this was conditional on anything else being done for the Germans, Mr. Bevin said he had a phrase to suggest which he had found useful in discussions with the British Cabinet. The phrase was "the Allies would take into account at each step progress on the New York decisions". He said this would mean that German action on the New York agreements was not a condition but would clearly have weight in considering what else we did for the Germans. For example, the British would probably have no objections to the contractual arrangement but, in considering the question, German progress in implementing the New York agreements would have bearing.

Mr. Schuman said that he wanted it clear that he did not mean to say that until the New York agreements were implemented there would be no discussion with the Germans. He said that in fact, he would have no objection to such discussion but thought that no new concession should be made to the Germans prior to German satisfaction of the terms of the New York decisions.

All agreed that the approach discussed above was the one to follow with the Germans.

Mr. Schuman said there was a second question which he considered important. It was raised by Chancellor Adenauer in a memorandum of August 29.[8] The question involved contractual arrangements and German equality. The French had accepted complete equality, of right and in fact, in the Schuman plan negotiations. He said we were also accepting it in the defense discussions. He was willing to negotiate on a basis of equality on the Occupation Statute.

He said that if equality means automatic and complete removal of restrictions and servitudes on the Germans, then we must be careful. He said that this state of affairs is a long term objective and did not involve an immediate decision to be made now or during the next year. He saw no drawback in telling Chancellor Adenauer that the day would come when the Germans would be freed from all controls but he did not think we should make a commitment now. Mr. Schuman said such action was prohibited by international commitments that cannot be ignored.

Regarding the other request of Adenauer on the subject of contractual arrangements, Mr. Schuman said that if this means that everything done in the future on Germany would be subject to negotiation, then he believed he could agree to this. He mentioned as examples the things covered in the memorandum of August 29, such as occupation charges, and saw no objection to handling these through negotiation on an equal to equal basis. He said it would add to the prestige of the Bonn Government. He saw no difficulty in the creation

[8] For the text of Adenauer's memorandum of August 29, see Konrad Adenauer, *Memoirs, 1945–1953* (Chicago, Henry Regnery Company, 1966), pp. 280–281.

of mixed commissions and said that the experience in the coal and steel negotiations had been good. There never had been any trouble in these discussions with the German Government. Occupation costs, cost of barracks, etc., could be dealt with on the basis of bilateral negotiations.

On the other hand, Mr. Schuman did not believe it possible to put total relations with Germany, particularly matters relating to troops, on a contractual basis and supplant the occupation regime because the basis of relations with Germany is covered by four power agreements made at Yalta and Potsdam. To put all our relations with Germany on a contractual basis would be provocative to the USSR. Mr. Schuman mentioned the difficulty in conducting four-power negotiations on Germany in the future if we had already destroyed the basis for such negotiations and given the Germans their freedom. It would be particularly premature if Germany had military units. The USSR could say we were giving Germans military units to use in regaining their lost territories.

Mr. Schuman said that for other reasons as well we should not be too revolutionary. We had other agreements—NATO and with Benelux countries, for example—which should not be overlooked. We should view things broadly where the Bonn Government was concerned and give the Germans equality in procedures but he did not think we should go further at this time. He believed we should tell Adenauer that going too far at this time was not good for us or for Germany.

Mr. Acheson said that Mr. Schuman had raised fundamental questions. We had no intention of taking off all controls now but merely that the High Commissioner should explore all problems. What concerned him about Mr. Schuman's attitude was not the problem of Germany but a problem which went to the next item on the agenda—the question of the four power meeting. To concede that we were so bound by our four power agreement on Germany that we could not make any move even though that move was in our interest, would be a fatal concession to the USSR. He pointed out that Russia had sought to destroy the quadripartite agreements and all that went with them. He said he was disturbed by the possibility that Mr. Schuman thinks the Western powers have a contractual relationship with the USSR which they cannot do away with except by negotiations with the Russians. We must not hesitate to take the steps we must take nor should we ever say that the Russians have a legal basis for claiming we cannot do those things which we must do for our own security. He pointed out that there was a difference between whether an action was wise and whether it was legal but he emphasized that we are not tied by a legal relationship to the Russians as regards Germany.

Mr. Bevin remarked that Potsdam and other agreements had never been denounced. He did not understand what Mr. Schuman had said that concerned Mr. Acheson so greatly. Was Mr. Acheson worrying that legal ties would now be brought up to keep us from doing anything in Germany?

Mr. Acheson said he understood Mr. Schuman to say that the French would negotiate with Germany on the basis of equality, but that there were some things which we could not do because we could not proceed without the consent of the USSR.

Mr. Schuman said that all he meant to convey was that the basis of our position in Germany is quadripartite and rests on agreements with the Russians at Potsdam and Yalta and on the unconditional surrender of the Germans. He added that the substitution of this four power basis would provoke a violent Soviet reaction and cited our position in Berlin as an example. We would be destroying unilaterally the Potsdam decisions which were the agreements of common victors If we gave all our powers to the Bonn Government, our presence in Germany would rest upon an agreement with the Germans.

Mr. Acheson asked that the Berlin issue be laid aside for a moment. He said it is always possible that if we do something it may provoke the Soviets. If the three Ministers did not choose to do something it must be because it was not in their interest to do so, not because of any agreement with the Russians. When we set up the Bonn Government some time ago, we heard the same arguments that were being made now. We had gone on and set up the Government. We must go on now with the rest of our program and not be halted by Yalta or Potsdam, which the Russians had repeatedly violated. He said our position in Berlin must be carefully considered but that this issue was much too complicated to be handled in the meeting that afternoon.

Mr. Bevin said all this indicated the desirability of going slow. What may seem right to do with the Bonn Government must be carefully examined by the High Commissioners in relation to other agreements. In so far as equality was concerned, instead of announcing that future negotiations would be on that basis, he suggested saying that from now on, whenever possible, negotiations would be on the basis of equality. He pointed out that there may be exceptions which would harm us if we had promised the Germans that in every case, equality would be the rule. As questions arise, each would have to be considered on its merits but we would aim for equality of treatment. Mr. Bevin remarked that what was being done now (the three Ministers sitting down and discussing these issues) was in itself probably contrary to Potsdam.

Mr. Acheson said the issue did not arise in connection with the question the Ministers were dealing with. It was not proposed to give up supreme authority. This issue seemed more important in relation

to discussions with the Russians. He had thought it was sufficiently important to clarify the point.

Mr. Acheson then referred to a draft directive to the High Commission and to the Intergovernmental Study Group on Germany which had been distributed by the US Delegation. He said he understood the British and French wished changes in it. (See Annex A)

Mr. Schuman suggested the changes which were made in the first and second paragraphs of the US draft. These were adopted without discussion.

There was considerable discussion of subparagraph (*a*) of the third paragraph, regarding which both Mr. Schuman and Mr. Bevin proposed changes. The changes made were essentially those proposed by Mr. Schuman.

Mr. Schuman also proposed suppression of the words "with a unified Germany" in subparagraph (*c*). He said, in this connection, that he wanted to make clear he had in mind excluding from contractual arrangements not only the question of frontiers, but also the presence of the Allies in Germany. He added that the conditions and atmosphere of the occupation would be on a contractual basis but not the presence in Germany of the occupying powers who were there by right.

With regard to subparagraph (*d*), Mr. Schuman said that the relaxation of controls should be conditional on German adherence to international statutes and organizations.

With the changes indicated, the directive was agreed upon.

The Foreign Ministers then approved the communiqué to be issued on Germany. (Annex B)

Mr. McCloy argued for the inclusion of some reference in the communiqué to "contractual arrangement" on the ground that this would be helpful to Dr. Adenauer but it was decided to omit mention of this phrase.

Mr. Bevin said there was one additional point which should be discussed. He said there was a difficulty about the Prohibited and Limited Industries Agreement. The Ministers had agreed at their last meeting that it should be discussed. Now the French were opposed to discussing it. He asked whether this was still the situation, remarking that there was pressure to complete the agreement.

Mr. Schuman said that the point was taken care of in the directive.

The Ministers then began discussion of the possible meeting of the Council of Foreign Ministers. Mr. Bevin said that no general discussion of the substance of issues should be carried on with the Russians at the "official" level. He said if we say we designated officials rather than Ministers for such discussions, the reaction in Great Britain would be that we were not making a serious effort to talk to the Russians. While Great Britain was ready to do all possible in regard to

defense and further taxation, it was essential to make a real effort to discuss these matters with the Russians. He believed that Soviet positions would be revealed when an agenda for a meeting was drafted. He pointed out that the British Government was accused of sending in 1939 a Foreign Office *official* to Russia for discussions there. He said that no *Minister* had been sent and that this was now regarded as a serious error. He spoke of the feeling in the UK that a CFM meeting was necessary even if there was great doubt that it would succeed in reaching agreements.

Mr. Schuman said that French public opinion on a meeting was similar to British opinion. He said he agreed that public opinion was in favor of the Ministers themselves going, rather than sending officials.

Mr. Acheson then said that it was extremely important that the discussion of a proposed CFM be held in the utmost secrecy. He said that any leak of these discussions would have the most far-reaching consequences and would give away the entire tripartite position.

Mr. Bevin then asked if Mr. Acheson would like to have a closed meeting for consideration of this subject. Mr. Acheson said he would and Mr. Schuman agreed.

In the private meeting which followed, Mr. Bevin outlined again the view of the British Cabinet that discussions of the nature proposed had to be handled at the Ministerial rather than at the official level.

Mr. Acheson said that, before getting into a discussion of the actual text of the reply, he wanted to make it clear that the US did not regard the present note as an acceptance of a CFM. Both Mr. Bevin and Mr. Schuman expressed their full concurrence.

The three Ministers then agreed on a text for the disputed paragraph 6 (see text of note in Annex C [9]) and on the following timetable with regard to this reply:

1) The text was to be communicated at noon Wednesday December 20 to Chancellor Adenauer in Frankfort by the three High Commissioners or their representatives and to the Austrian Government by the three High Commissioners in Vienna. At the same time the Benelux representatives would be informed as agreed by the British and French in their meeting.

2) Delivery of the note would be made at 5 p. m., Friday, December 22, or as near thereafter as possible, to the Soviet Foreign Office by the three Embassies in Moscow.

3) The note would be released to the press about 12 hours after delivery in the three capitals, or at around 10 p.m. Washington time, Friday, December 22.

The meeting adjourned at 9:20 p. m.

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[9] Not printed; for the text of the agreed tripartite note, see telegram 605, December 21, p. 920.

Annex A

Paper Prepared by the United States Delegation

[Brussels, December 19, 1950.]

Terms of Reference for Allied High Commission and the Inter-Governmental Study [Group] on Germany[10]

The Foreign Ministers have decided to institute promptly preparations for a general outline of arrangements to be made with the Federal Republic of Germany, which would reflect [the basic change in occupation status required by] *the agreed*[11] *changes in the present occupation regime by reason of* Germany's participation in Western European Defense. After preliminary discussions with the Federal Chancellor and other leaders of West Germany, the High Commissioners should [formulate] *elaborate* this outline in broad terms for consideration by their Governments.

The High Commissioners should examine the problems involved in the development of a new relationship between the Occupying Powers and Germany, and should recommend, as a matter of priority, to their Governments those aspects which they feel should be dealt with by the Inter-Governmental Study Group. The Inter-Governmental Study Group shall reconvene in London [not later than January 15,] *during January*, 1951, to consider those problems referred to it as a result of these recommendations, and to complete the work assigned to it by the Foreign Ministers in September 1950.

The High Commissioners and the Inter-Governmental Study Group should be guided in their work by the following general principles:

(*a*) The entry of Germany into Western Defense arrangements would logically entitle it to substantial freedom [and equality]. The goal should [, therefore,] be to [place] *establish* the relations between the Occupying Powers and Germany [on a basis to achieve this end, taking into account proposals made for the substitution of contractual agreements for the present occupation status] *on as broad a contractual basis as possible, taking into account the resolutions adopted by the North Atlantic Council and, to this end, to associate the German Federal Government in the working out of future arrangements concerning this Government.*

(*b*) In working out the relationship contemplated in (*a*) above, every effort should be made to explore with the Germans the problems involved, so that the final plan will be mutually satisfactory.

(*c*) The arrangements in (*a*) above should cover all aspects of these relations, except such problems as can be resolved only in a peace settlement [with a unified Germany].

[10] A bracketed note in the source text indicates that all material in the text in brackets was eliminated from the U.S. draft while the underlined portions (here printed in italics) were inserted.

[11] A corrigendum to the United States delegation minutes indicates that the word "agreed" should be deleted from the terms of reference.

(*d*) Commitments made by Germany through its adherence to international statutes or organizations would [facilitate] *render possible* the relinquishment of occupation controls.

Certain of the subjects covered by contractual arrangements with Germany will involve countries other than the Occupying Powers. The Study Group should identify these subjects and should submit recommendations as to the procedure to be followed in dealing with them.

Annex B

Agreed Tripartite Communiqué on Germany

[Brussels, December 19, 1950.]

Following is text of agreed tripartite communiqué:

"The North Atlantic Council having agreed upon the establishment of an integrated force for the defense of Western Europe and upon the appointment of the supreme commander, the Foreign Ministers of the USA, UK and France considered the problem of associating Germany in the common defense effort of the free nations of the West.

The three Ministers have authorized their respective High Commissioners, in discussions with the Government of the Federal Republic, further to explore this problem on the basis of the Council's proposals, as well as any changes in the present occupation arrangements which might logically attend a German defense contribution."

762.0221/12–2250 : Telegram

The United States High Commissioner for Germany (McCloy) to the Secretary of State

SECRET PRIORITY Bonn, December 22, 1950—4 a. m.

414. AGSec from Slater. For Acheson and Byroade. Verbatim text.

Following is summary report of HICOM Council Meeting with Chancellor Adenauer (which lasted nearly five hours) held Bonn-Petersberg 21 December with Poncet (French) chairman, Kirkpatrick (UK) and McCloy (US) present:

1. Implementation of Brussels' decisions:

A. *Review by chairman.*

On basis of discussion HICOM executive session prior to meeting with Adenauer, Poncet gave report Brussels' decision in which he stressed:

(1) That Federal Republic would be at full liberty to consider, comment upon, accept, reject or make counterproposals re plan for

Federal Republic contribution to western defense. High Commissioners have been instructed to find agreement on basis of agreement which is to be freely negotiated and entered into by all parties concerned.

(2) That Federal Republic would be invited to participate, without prejudice to future decision, in January Paris conference which would deal with political, financial and military problems connected with implementation of Brussels' decision.

(3) That present basis of planning, subject to Federal Republic concurrence, envisaged establishment of German units which would have at their disposal heavy fire power, tanks, tactical air units, engineers, et cetera. These units would be trained with allied troops in Germany in joint military academies. Method of recruiting, equipping and organizing such units would be settled by common agreement between Federal Republic and HICOM. Armaments of such units would be supplied from both allied and German sources under a program still be formulated.

(4) That deploying and future use of these units would be determined by Supreme Allied Commander. In interim period, such units would be attached to allied forces in Germany. Poncet continued that German contribution to west defense required re-examination of present HICOM-Federal Republic relationship in order that it should be adapted to the new political situation resulting therefrom. Subject to retention of basic principle which serves as basis for presence of occupation forces in Germany, a principle which for the moment could not be altered, HICOM was prepared to consider substitution of contracts and treaties on basis of Federal Republic proposals for certain present HICOM powers and practices. Poncet advised Adenauer, however, that new program could commence only after full implementation of New York decisions now being held up pending receipt of Federal Republic assurances of such undertakings (see paragraph 2 below).

B. *Adenauer reply.*

Adenauer expressed his great satisfaction that:

(1) High Commissioners had been designated to conduct negotiations with Federal Republic.

(2) Eisenhower had been appointed Commander-in-Chief.

(3) Federal Republic would have opportunity to accept, reject or make counterproposals regarding draft plans.

(4) Organization envisaged included not only combined European army but also controls over production which could outlast present east-west crisis and serve as basis for further European integration. (In this connection, he expressed hope that British would adopt proper attitude toward such plans which were essential to integration of Western Europe.)

Adenauer stated that German public had two prerequisites which would have to be met before they would be willing to make contribution to western defense. First prerequisite is that western allies must maintain sufficient military force in Germany to insure defense

of Federal Republic area against Soviet invasion and not merely retention of force adequate to cover allied retreat. In his opinion, this prerequisite had been met inasmuch as UK and France realized that if Federal Republic area would fall under Soviet control, they would lack security and that Eisenhower would not have been appointed (or have accepted appointment) Commander-in-Chief of a force which merely intended to retreat. He believed German public could also be convinced that Eisenhower appointment was manifestation that US took European defense problem most seriously. Second prerequisite is that German contingents would have complete equality and would not have to fight under circumstances less favorable than other contingents.

In order to satisfy second prerequisite he suggested that HICOM-Federal Republic military experts meet to discuss military problems involved. He nominated Herr Blank and Generals Heussinger and Speidel to serve as a Federal Republic delegation, with Blank acting as chairman. (High Commissioners made no definite nominations; however, Kirkpatrick mentioned possibility of Jack Ward, new UK Deputy High Commissioner, as member of UK delegation. I have in mind appointment of General Hays as member of US delegation.)

C. Ultimate allied authority for presence in Germany, Adenauer's request for clarification of Poncet's reference to "interim and final stages" of occupation and retention of basic principle which served as basis for presence of allies in Germany touched off long and somewhat heated discussion. Adenauer stated that principle set forth by Poncet was based on "unconditional surrender" and concept therefor, contracts and increments of sovereignty granted under such contracts could be repealed or withdrawn by three western powers. He expressed hope that period during which HICOM would insist on retention of such a principle would be as brief as possible. He stressed that no reference to this principle should be made public when [and] if the phrase "retained for the moment" as expressed by Poncet, were employed. I stressed that although Foreign Ministers had given High Command [*Commission*] authority to discuss any proposals, political or military, put forward by Federal Republic, it was necessary that the most careful consideration be given before existing basis for our presence in west Germany and Berlin be altered as such consideration involved not only Germany and our position in Central Europe but also peace of the world. A considerable part of the meeting was devoted to correcting in Adenauer's mind a misunderstanding concerning contractual arrangements to be effected between Federal Republic and HICOM. Adenauer, during entire period of this misunderstanding, was very much disturbed at thought that occupying powers might retain until east-west settlement this principle of ultimate right to remain in Germany on basis of unconditional surrender concept as

opposed to his concept of right based on treaty arrangement and also by the thought that allies could repeal any contractual arrangement made on basis of this ultimate right. This latter thought was also based on a misunderstanding of our explanations of the reasons we wanted to retain ultimate right for time being. At one point Adenauer temporarily reneged on his agreement to commence study of German contribution to western defense. We finally convinced Adenauer that the present relationship with Federal Republic would be put wherever and as quickly as possible on a contractual basis. The question of our ultimate right in Germany, however, would have to be the matter of future consideration and most careful study.

D. During course of conversation I made following points, *inter alia:*

(1) Brussels' decisions represent significant departure from past procedure of "fixed formula" approach to Federal Republic as opposed to present concept of a free exchange of views designed to reach mutually satisfactory arrangements. German press had not given proper attention to this significant development;

(2) Although HICOM does not have power of decision re Federal Republic counterproposals, it can refer such counterproposals to Foreign Ministers together with its recommendations, and if latter body cannot act promptly, then matter can be decided by deputies who are always in session;

(3) Many of the considerations with respect to such matters as type of weapons to be employed, manner of training, size of force, et cetera may well be modified by the Commander-in-Chief who will be responsible for establishment of a practical force in the field. The main concept which must be understood is that the force should be constituted as a European force rather than a series of national armies with general staffs.

E. *Understandings.*

After clarification of above points with Adenauer, he agreed that military and political talks of exploratory nature could commence. This clarification took form of two recorded statements agreed upon by HICOM in reply to Adenauer's questions. Agreed verbatim texts of which follow as separate cable.[1]

F. *Communiqué.*

High Commissioners and Adenauer issued following communiqué as result of above discussion:

> "The Chancellor was assured that the Federal Government would not, in the matter of a German contribution to the defense of Europe, be confronted with *faits accomplis.* It was agreed that conversations would shortly take place between Germany and allied experts, in which the scale and manner of a German contribution would be examined. The result of this examination would then be the subject of discussion between the Allied High

[1] Not found in Department of State files.

Commission and the Federal Government. The Federal Chancellor noted with satisfaction that the Allied Governments were prepared to place their relationship with the German Federal Republic to an increasing degree on a contractual basis. Conversations to this end will begin shortly." End text.[2]

[Here follow numbered paragraphs 2–4 in which the Grotewohl letter, the German debt undertaking, and the Federal Civil Service Law were discussed.]

Department pass Moscow. Sent Dept 414. Repeated information Frankfort for limited distribution 467, Berlin for Taylor 160, Paris for Bruce 107, London for Gifford [3] 106, Moscow 13.

McCloy

[2] For another account of the discussion of the Brussels decisions, see Konrad Adenauer, *Memoirs, 1945–1953* (Chicago, Henry Regnery Company, 1966), pp. 310–315.

[3] Walter S. Gifford, Ambassador to the United Kingdom.

762A.00/12–2850 : Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfort

SECRET Washington, December 28, 1950—7 p. m.

4585. For McCloy.

1. Believe it essential we press ahead with development US positions for negots both in HICOM and ISG re Ger defense forces and contractual arrangements. Pending receipt your views as to general outline of plan for putting relations on contractual basis, we propose to explore further main lines of suggs in DepTel 4222 Dec. 12, in light of Brussels discussions.

2. Assume Gers will stall pending clarification of situation re possible 4-Power talks. They will doubtless be willing to explore probem but not to approach any binding agreements. Negots will therefore tend to be indecisive and protracted with Sovs in position adversely to influence Gers propagandawise towards delay. Believe we must bend every effort to achieve results earliest without regard to possibility or existence talks with Sovs. Brit Emb here states Brit Govt puts great emphasis on this point.

3. Study urtel Bonn 414 Dec 22 indicates Adenauer still speaking to HICOM in terms of rather limited objectives. Thus he apparently spoke of "equality" only with reference to mil contingents and not politically. Attitude also carried some flavor of willingness to undertake defense commitments on basis Allied promises rather than Allied performance. Our impression strongly remains that Ger opinion now

such that promises no longer sufficient and that Ger participation will be obtained only as part of package including detailed agreements and specific timing for achieving substantial Ger pol as well as mil equality. Wld seem, if you agree this analysis, we must guard against being lulled into too limited planning by Adenauer's moderateness and by Fr reluctance to go far enough, which we will undoubtedly encounter.

4. How work is to be divided between HICOM and ISG remains unclear and hampers planning for latter's Jan mtgs. Realize this question depends somewhat on course of conversations with Gers but believe attempt to determine certain categories of subjects which ISG cld work on wld be helpful. Two suggs come to mind here which may help you. First, HICOM might concentrate on more clearly internal matters re winding up occupation and future relations with Ger while ISG takes up questions involving general Ger external relations (such as status of treaties, membership in int'l organizations). Second, HICOM might work out agreements to be made between Occ Powers and Ger, while ISG handles wide multi-lateral agreements possibly including some of necessary arrangements with NATO (This sugg stems from subject divisions outlined ourtel 4222). HICOG cld work on necessary bi-lateral agreements.

5. We understand ISG can proceed without further instructions to consider necessary ways and means of bringing other countries into negots and agreements.

ACHESON

THE STATUS OF BERLIN: ACCESS, SECURITY, FINANCIAL SUPPORT, ECONOMIC RESTRICTIONS, ELECTIONS, AND RELATED QUESTIONS

Editorial Note

During the course of 1950, policy statements on Berlin were prepared for the Secretary and Under Secretary of State. Six statements and the rough draft of a seventh of this type have been identified in the Department of State files, dated January 6, January 18, February 21, March 22, April 5, and September 29. The rough draft bears no date but internal evidence suggests that it was prepared at the end of April, perhaps for the London Foreign Ministers meeting. None of these statements is printed, but the following documentation presents the basic outlines of United States policy with regard to Berlin as indicated in the seven policy statements. (762A.00/9-2950) A full collection of such statements on all the major aspects of United States foreign policy, prepared at the end of September and entitled "Policy Record Guide, The Secretary," is in file 611.00/9-2250 Bulky.

962A.50/1-2750 : Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfort [1]

TOP SECRET WASHINGTON, January 31, 1950—8 p. m.

668. We have seen Berlin's tels 104 Jan. 26, rptd Fkft 119; and 108 Jan 27 rptd Fkft 123.[2] We realize that nothing like complete blockade of Berlin exists but we are deeply concerned at new series harassing acts and feel these are calculated produce new creeping econ paralysis of Berlin with resulting serious polit effects. We note Berlin shippers are already hanging back to large extent out of sheer uncertainty as to Sov intentions. It is likewise apparent that recent developments stemming from seizure and return of Reichsbahn bldg [3] have considerably damaged Western and especially Amer prestige in both Sov and Ger eyes and if Sov actions continue unchallenged except for protests Dept feels we are in for trouble.

Dept must view Berlin events in light of devs elsewhere. There appears to be general increase in Sov and satellite pressures. Examples are actions re Finland, treatment of our reps and citizens in China, Bulgaria, Hungary, dragging of feet in Aust Treaty talks and UN walkout.[4] Sovs may feel that successes in China with resulting domestic storm here, plus our embarrassment in Ger with Saar affair,[5] plus UK elections, plus our local actions in Berlin, mean we are off balance. Problem as we see it is to display resolution and strength wherever possible while not allowing our strength and attention to be too completely concentrated on what may be feint at Berlin.

We are impressed by fact that Sovs have deliberately sought to create confusion and doubt as to their intentions in both Allied and Ger minds. This is in line with their usual tactic of confusing an issue sufficiently to arouse doubt on our side as to whether action shld be taken. Past and present experience seems to demonstrate that Sovs are not impressed by mere protests or appeals to internatl agreements.

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[1] Repeated to Berlin as 29, London as 454, Paris as 423, and Moscow as 86.

[2] Neither printed; the former reported that the Allied Kommandatura had decided to protest to General Kotikov over Soviet restrictions on transit to Berlin; the latter transmitted the text of the letter of protest. (357.AE/1-2650 and 862A.50/1-2750)

[3] On January 17 the Reichsbahndirektion building in the U.S. sector had been seized by the Property Control Branch of the U.S. Element. Following the rejection of a Soviet protest over the seizure, elevated train service, controlled by the Soviet-directed Railway Administration, was curtailed to half normal, and further restrictions were threatened. Under this threat the United States relinquished custody of the building. (Byroade memorandum to Acheson, January 23, not printed, 962A.50/1-2350)

[4] For documentation on the Austrian Treaty negotiations, see pp. 430 ff.; for documentation on Soviet pressure on Finland and the treatment of United States representatives in Bulgaria and Hungary, see pp. 574 ff., 503 ff., and 980 ff., respectively; regarding the Soviet walkout from the United Nations, see vol. II, pp. 303 ff.; for documentation on the situation in China, see vol. VI, pp. 256 ff.

[5] For documentation on the Saar question, see pp. 927 ff.

Dept is of opinion restrictions are such as to constitute violation of Paris agreement[6] and that measures shld be taken if restrictions not lifted promptly.

As we see it, reinstitution of airlift is not the answer now. Fact that some trains are running, that Army convoys go through and that large reserves have been built up in Berlin wld make new airlift difficult to defend on practical grounds. It wld be expensive prestige measure of doubtful usefulness. Our search therefore is for other measures designed to express our will to defend ourselves as well as calculated to bring real pressure on Sovs. Dept therefore desires your reaction toward full blockade on truck and barge transport from Western Zones to Sov Zone. This wld accord with NSC recommendation 24/3 of June 1949 as approved by President.[7]

If we shld determine, in concert with Fr. and Brit. to resort to some such measure we wld want to give prior notification to Sovs that if transport restrictions were not lifted within say 24 or 48 hours appropriate measures wld be taken immed (without disclosing precise nature of countermeasures). We wld consider it of highest importance that no info concerning these proposed measures shld be permitted to leak out. If any leak were to take place it wld be much more difficult for Sovs to comply with our demands and our hope of course is that result of foregoing action wld be lifting of Sov restrictions and that imposition of blockade on our side wld not be necessary. It wld be our thought to have any such communication handed over by Allied HICOM then in chair as separate communications by three HICOMS wld attract too much attention.

We desire to give fullest support to you and Taylor on this problem. Dept wld accordingly appreciate on urgent basis your views and reactions to foregoing and your recommendations of any other course of action based on direct knowledge of conditions. We also need your estimate of probable temper your Brit and Fr colleagues toward prompt action as well as estimated attitude of Germans and their probable reaction to suggested measure.[8]

ACHESON

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[6] For the text of the communiqué of the Paris Council of Foreign Ministers, June 20, 1949, see *Foreign Relations*, 1949, vol. III, p. 1062.

[7] NSC 24/3 is not printed; for NSC 24/4, see *ibid.*, p. 839.

[8] The source text was initialed by Secretary Acheson.

762A.0221/2–250 : Telegram

The Acting United States High Commissioner for Germany (Hays) to the Secretary of State [1]

TOP SECRET NIACT BONN, February 2, 1950—5 p. m.

22. Reference yourad 668. I discussed the general issues raised by the reimposition of restrictions on transport by the Soviets with the French and British Deputy High Commissioners. East-west trade position shows that although officially only 13.3 million DM have been charged against the 15 million DM account which German Federal Republic established as clearing account for stimulation of east-west trade, actually west German steel companies have delivered approximately 10 million DM worth of steel to east Germans which has not been charged to clearing account and when so charged will over-obligate clearing account by about 8 million DM. Also promises of east Germans to deliver supplies such as potatoes, grain and sugar to be credited to clearing account have not been carried out. It was agreed tripartitely that US [*it?*] is imperative to take action to protect west German economy [from] loss of additional commodities for which repayment is made. Discussion arose over whether an embargo should be placed now on shipments of all categories of supply as west to east and it was finally agreed that now only steel shipments which are under order and which Soviets are urgently in need of will be embargoed. In the event embargo on steel does not produce satisfactory reaction consideration will be given to extending the embargo to additional commodities. Agreement was reached that action on steel was to be taken under east-west trade agreement provisions [2] and not necessarily connected with interruption of traffic by Soviets. Agreement reached to confer with Blankenhorn [3] tomorrow at 1000 hours, ask that Adenauer request Muller of VFD to direct no further shipments of steel to east zone until further notice and take parallel action ourselves through Allied steel control groups. Also ask Blankenhorn to submit proposals to ensure that permits (*Warenbegleitschein*) are not issued for shipment of commodities to east zone until their value is set off against clearing account (this may require invalidating outstanding permits—*Warenbegleitschein*).

Also ask Blankenhorn to submit proposals to establish control points along Soviet zone border denying movement of commercial supplies by highway except through control points. Establish control points in western Berlin and set up control machinery between Soviet zone border and Berlin to determine what supplies documented for

[1] The United States High Commissioner for Germany, John J. McCloy, was in Washington for consultation.

[2] For documentation on United States policy on East-West trade, see pp. 65 ff.

[3] Dr. Herbert Blankenhorn, Adenauer's personal secretary.

Berlin are diverted to east zone. All above actions to be considered part of east-west trade agreements, but will in reality set up control machinery along Soviet zone border which will enable counter-measures that we may agree upon later to be put into effect. We agreed that above measures would be put into effect with minimum of publicity, that Soviets would soon learn of action with particular reward to embargo on steel.

We agreed to continue military convoys between Berlin and Helmstedt, such convoy commanders not to recognize any rights of Soviet zone German police to control or inspect convoys or other interference with their movements. Identification by convoy only to be made to east German police. I requested that such convoys be increased, but best agreement I could get from French and British was that they would not be diminished over normal past movements. Personally agree with tenor of reftel and feel that I have not secured tripartite agreement to take such energetic action as reftel indicates should be taken.

Do not believe approach to Soviets on High Commission level as indicated in reftel is best solution when more energetic action is finally agreed upon. Feel such approach would be considered by Soviets in nature of ultimatum and involve loss of face on their part and would not trust us not to publicize same. Recommend counter-measures be applied gradually under guise of protection west German economy in such a way that Soviets will realize we intend to apply appropriate counter-measures of equal severity. Unless I get instructions to contrary before 1000 hours tomorrow will assume I have Department's concurrence to actions contained in this message.[4]

Sent Department niact 22; repeated Frankfort 30, Berlin 7.

HAYS

[4] In telegram 2, February 2, 8 p. m., to Bonn, not printed, Hays was instructed to "withhold action pending receipt further instructions from Dept." (762A.0221/2–250)

762A.0221/2–250 : Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfort [1]

TOP SECRET NIACT WASHINGTON, February 3, 1950—12 noon.

722. With modifications suggested below, Dept approves your proceeding with measures proposed Bonn's Tel 22 Feb 2, rptd Fr 30, Berlin 7. Although these measures seem urgently called for by East-West trade balance situation, we agree that they probably will not be

[1] Repeated to Berlin as 31, Paris for Bruce as 454, London for Holmes as 504, and Bonn niact as 3.

sufficient to achieve purposes outlined Deptel 668 Jan 31. We are willing, however to attempt them as a first step but feel that if Sov transport restrictions are not lifted, we will be forced to consider stronger measures. We assume that first step will be to have outstanding 10 million DM charged to clearing account so that action by West Germans will be fully justified.

In proceeding with measures proposed urtel 22, believe it most important to put them into effect without delay. We believe this question is of sufficient importance and urgency also to request Adenauer to be present at meeting.

You will doubtless make it clear that your asking for action on these matters is in fact an order. You might well give written orders if Germans request them. It wld seem better not to ask for German proposals, since this wld only delay matters.

We do not believe control points should be set up in Berlin at this time unless Magistrat concurs.

Pls keep Dept informed constantly of all developments.[2]

McCloy has not seen this reply but expressed his approval your niact 22 just prior to his departure.[3]

ACHESON

[2] Before the receipt of this telegram Hays had further discussed the question with his French and British colleagues who were not authorized to take all the measures outlined in Bonn's 22, February 2. However, they were instructed to send a message to Blankenhorn for Adenauer stating *inter alia* that the High Commission had become "increasingly disturbed" over the trade imbalance with the eastern zone and requesting the Chancellor to issue instructions to the appropriate German authorities for the cessation of steel deliveries. This course of action was approved on February 3 by Washington which believed it was "better to take partial action now rather than delay action of any type as broader issues of blockade would apparently require governmental approach to London and Paris." (Telegrams 26 from Bonn, and 4 to Bonn, February 3, neither printed, 762A.0221/2–350).

[3] The source text was initialed by Secretary Acheson.

862A.10/2–850 : Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfort

CONFIDENTIAL WASHINGTON, February 8, 1950—6 p. m.

850. Bluecher[1] met with Byroade[2] and officers of Ger yesterday in general discussion and talk on Berlin and refugees. Later he made courtesy call on Secy.

[1] Dr. Franz Bluecher, Vice Chancellor of the Federal Republic of Germany. Further documentation on Bluecher's visit to the United States at the beginning of February is in CFM Files: Lot M–88: Box 183. The CFM Files are a consolidated master collection of the records of conferences of Heads of State, Council of Foreign Ministers and ancillary bodies, North Atlantic Council, other meetings of the Secretary of State with the Foreign Ministers of European powers, and materials on the Austrian and German peace settlements for the years 1943–1955 prepared by the Department of State Records Service Center.

[2] Col. Henry A. Byroade, Director of the Bureau of German Affairs.

Re Berlin, he acknowledged Fed Rep responsibility for aid to Berlin and outlined steps Fed Rep is taking. He said investment in Berlin industry of 60 million DM per year required and that it wld take 5 years to bring Berlin up to level of Fed Rep area. He made no request for outside assistance in dealing with Berlin problem except as it might have been implied by statements that it wld be difficult for Fed Rep to do more for Berlin by way of financial aid and suggestion that program wld not produce results fast enough.

In connection with refugees, Bluecher stressed Ger inability supply adequate capital to meet refugee problem. He put forward in somewhat tentative form proposal for an internatl credit of 50 million dols to back up an equivalent expansion of credit in Ger to meet refugee needs. He did not propose that foreign exchange be utilized but seemed to suggest credit be granted in order to maintain confidence in mark.

Both Byroade and Secy took occasion of visit to emphasize importance of more positive public attitude on part of Fed Rep toward problem of unification of Germany. There is need for more aggressive public position in order to keep before East Germans at all times the idea that Fed Rep hopes Eastern Ger will find its way back into fold. Attraction of West for East must be more constantly expressed by propaganda. Bluecher expressed agreement and said he would take this matter up with Adenauer when he returned.[3]

ACHESON

[3] On February 8, Jacques J. Reinstein, Director of the Office of German Economic Affairs, had prepared a memorandum for Byroade with respect to Bluecher's visit to Washington. Attached to the memorandum were three appendices which outlined the United States position on the economic situation in West Berlin, stated the respective attitudes of the United States and the Federal Republic toward the city, and noted the provisions of the U.S.-Federal ECA Bilateral Agreement with regard to Berlin. These documents provided the background for Byroade's conversation with Bluecher. (862A.00/2-650)

762.001/2-950 : Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfort[1]

SECRET WASHINGTON, February 9, 1950—7 p. m.

895. For McCloy from Byroade. Considerable concern has arisen here in both State and Defense Depts over contemplated Ger Youth rally scheduled for Berlin in latter part of May. We note with satis estab of a tripartite action comite in Berlin and corresponding organization of Gers to study this problem. Request you keep us fully informed and furnish us when formulated with your views as to proper handling of this case.

[1] Repeated to Berlin for Taylor as 36.

Inasmuch as there seems to be adequate time for considered judgement and planning in connection this issue, we do not wish interject recommendations from here prior to receipt of coordinated views from Germany. To aid in your thinking however believe you shld know Secy is personally concerned over wide implications that appear in this effort of Sovs to use Gers to at the very least weaken our position in Berlin. In addition to reply which Mayor Reuter will make to Honecker[2] you might consider the desirability of subsequent communication direct to Sov auths backing up his stand as it appears here that we must hold Sovs directly responsible for planning and execution of this exercise.

New subject: Reports, particularly press, have been confused in last few days on status and trend in traffic slowdown to Berlin. When may we expect your analysis and recommendations on blockade issue?[3] [Byroade.]

ACHESON

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[2] On February 2, Erich Honecker, Chairman of the Free German Youth (FDJ) of the Soviet Zone, had sent a letter to Ernst Reuter, Lord Mayor of Berlin, asking permission for columns of the FDJ to pass through the city and use the Olympic Stadium in the British sector. (762.00/2–950)

[3] In telegram 1376, February 15, from Frankfort, not printed, McCloy reported that a Political and Economic Projects Committee (PEPCO), composed of officials from the political, economic, public affairs, and intelligence branches of HICOG, had been established to advise on Soviet and East German activities with the aim of countering anticipated and actual moves by the Soviet Union and East Germans throughout Germany. Frankfort reported further that the traffic slowdown continued intermittently possibly due to: 1) Soviet desire to prevent scrap and other materials from leaving the Soviet Zone without East German approval, 2) an attempt to force Western firms to ship by rail which was easier for the Soviet authorities to control, 3) an effort to determine the firmness of Allied policy regarding Berlin. As possible countermeasures McCloy offered three documentation and traffic control measures, but felt "that greater pressure can be exerted by selective blockade of industrial and raw material items badly needed by East Zone manufacturers." (762A.0221/2–1550) These recommendations had been sent to McCloy by Taylor on February 11. (Telegram 223, from Berlin to Frankfort, not printed, Bonn Embassy Files, McCloy Project: Lot 311: Box 13: February 1950.)

Editorial Note

At the end of 1949 the Berlin City Assembly had begun revision of the 1948 city draft constitution to conform with the Basic Law of the Federal Republic. Work progressed slowly into 1950 and was then suspended pending the outcome of the approach to the Soviet sector Commandant for city-wide elections. The failure of this initiative reactivated work on coordination, and on August 4, a revised draft constitution for Berlin was adopted unanimously by the City Assembly. The new draft was considered by the three Western Commandants, and when they could not agree on its provisions, it was submitted to the Allied High Commission, which on August 23 ap-

proved it subject to the suspension of certain articles that proclaimed Berlin to be the twelfth *Land* of the Federal Republic.

For an account of these developments, the text of the 1950 Constitution and related documents, see Elmer Plischke, *Berlin: Development of Its Government and Administration* (Frankfort, Office of the United States High Commissioner for Germany, 1952). Documentation on the subject in the Department of State may be found in files 762A.0221 and 762A.03.

462A.62B31/2–2350 : Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfort

TOP SECRET WASHINGTON, February 23, 1950—7 p. m.

1206. Urtel 1376 Feb 15 rptd Berlin 73.[1] Pleased to learn of establishment PEP. This group shld be of great assistance in according Berlin Sov Zone and Sov relations in Ger continuing attention at high level which they deserve. Also welcome it as forum within which urgent questions in these fields can be discussed and conclusions formulated with minimum of delay. Latter point is particularly important in view necessity for flexibility and speedy counter action to Sov moves.

Appreciate your analysis and recommendations re traffic slowdown. We are however increasingly concerned at seriousness Berlin situation as result effects of transport restrictions which have been continuing for over a month. It seems clear that these have had effect we anticipated of weakening already precarious confidence of Berlin and particularly West Ger businessmen, with regard to investment and placing orders in Berlin. Without adequate investment and current sales to West virtually all our previous efforts to save Berlin and raise its economic level will be wasted. US has great deal committed in Berlin and cannot afford to see it slip away as result present Sov methods after our successful combatting of 1948–49 blockade. Gers can not be expected regain confidence unless they see that Western Powers and above all US act strongly to counter Sov actions. There seems to be much Ger and substantial American domestic criticism of our failure to do so.

At same time reports received here indicate that West Ger steel embargo is only partial, that Ruhr industrialists are applying pressure to have even limited embargo lifted and that it is already being stated that embargo will be lifted by Mar 15. Yet Sovs have done practically nothing to make up their trade deficit or lift their transport restrictions.

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[1] Not printed, but see footnote 3, p. 825.

In reviewing this whole problem, it seemed to us that we had not, as yet, embarked on a course of action that will have effect of quickly bringing pressure on the Soviets which might force them to give up their present harassing tactics. We have set forth below some suggestions to enable us to apply pressure. In our review it seemed to us that we should not attempt to dramatize whatever action we take so that it immediately takes on the character of specific retaliation for each move the Soviets might make. Rather, we have felt that we are in a position this time to use an old Soviet tactic of pointing to a specific agreement or document as the reason behind our moves, but we feel these moves should be taken as matter of course. To a large measure we have used the interzonal trade agreement [2] as a pivot on which to swing our entire plan of action, but our course of action, based solely on the interzonal trade agreement, can have no effect unless we provide for a physical action that will make trade agreement a useful point of departure. By this we mean that unless we can physically control the movement of goods to Sov zone, our efforts within the trade agreement will be largely ineffective. We feel that requiring the Soviets to keep within swings provided in trade agreement will, in view of present trade unbalance, justify an immediate embargo. This embargo, together with other points suggested below in our opinion will have effect of quietly drawing noose around Soviets in such manner as will make them hard put to find any basis for their usual statements of illegal action on our part. Within this framework we believe you should in agreement with your British and French colleagues pursue following course:

1. Upon further consideration we do not believe selective embargo covering broad categories of industrial and raw materials is desirable policy inasmuch as trade agreement obligates us to permit movement of specified quantities of such materials. On other hand agreement permits us to impose embargo on all exports when balance of trade exceeds stipulated swing. It also permits us to put embargoes on specific categories of goods if exports of such categories exceed quotas provided in trade agreement. If our understanding of present status of the trade agreement is correct, this would require general embargo on all goods immediately, i.e. complete cessation of issuance of *Warenbegleitscheine*.

2. In line with our general concept outlined above of strictly adhering to trade agreement in order to prevent unbalance of trade or exceeding of swing arrangements we suggest that new procedure should be established immediately which would assure that export merchandise does not cross frontier to East unless, in addition to

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[2] Presumably this reference is to the 1948 Trade Agreement between Bizone and the Soviet Zone, dated November 25, 1947, which was abrogated by the Berlin blockade and subsequently revived in the Berlin negotiations following the lifting of the blockade in May 1949. An extract from the agreement is printed in *Germany, 1947–1949: The Story in Documents* (Washington, Government Printing Office, 1950), pp. 483 ff.

shipping note, exporter shows that BDL has earmarked funds necessary for payment of specific invoice. We believe this could be achieved by requiring exporter submit shipping note for registration with BDL after receiving approval of German Administration but before actually dispatching merchandise. BDL would certify funds earmarked if adequate balance available in trade account. This additional certification would not in our opinion constitute new restriction since trade agreement specifically stipulates that all commodity shipments go through clearing. Proposed procedure seems in line ideas expressed urtel Bonn 22 Feb 2.

3. Re controls on road and barge traffic, outlined reftel paras *a*, *b*, and *c*, recommend you set up appropriate machinery including border check points at once and bring implementation of controls and imposing of embargo in line with trade agreement. System of E–W trade controls which we understand Fed Govt is about to put into effect, shld be integrated into your check point control system.

4. We concur in plan to check arrival of cargoes in West Berlin.

In your approaches to Brit and Fr Hicoms it is recommended that you concentrate purely on trade agreement and necessity of living up to its terms. You can stress that this Govt cannot go on pouring money into West Ger while valuable goods are leaking out to the East without payment. Moreover West Ger economy itself is suffering though extent of damage has thus far been largely concealed through failure to adopt proper control, checking of shipments and adequate accounting procedures. Measures outlined above will simply bring all trade under trade agreement and enable West Ger to be constantly aware of where it stands. At present its losses appear to have been so great that complete moratorium on deliveries is only means of recouping. This is merely sound business practice when there is no other way to compel payment by a consignee. Brit and Fr cannot legitimately object to enforcement trade agreement which they have approved.

We are prepared to approach Brit and Fr govts to press for agreement on these policies if required.[3]

ACHESON

[3] The source text was initialed by Secretary Acheson.

CFM Files : Lot M–88 : Box 144 : Ambassadors' Meeting Rome 1950

Paper Prepared by Mr. Louis A. Wiesner of the Office of German Political Affairs [1]

TOP SECRET [WASHINGTON,] March 13, 1950.

PAPERS FOR AMBASSADORS' MEETING AT ROME—MARCH 22–24

Subject: Berlin

U. S. Policy: (1) to hold Berlin and defend it against hostile Soviet action. (2) To strengthen ties between Berlin and the German Federal Republic. (3) To improve Berlin's economic situation to an extent comparable to the progress attained in Western Germany.

PROBLEMS OF IMPLEMENTATION

1. *Defense of Berlin against Hostile Soviet Action.*

(*a*) Planned Communist Youth Demonstration in Berlin, May 26–30, 1950.

The Soviet Zone "Free German Youth" (FDJ) is planning a gigantic youth rally in Berlin May 26–30, at which it wants to assemble from 5 to 600,000 youths from all Germany and other countries. Preliminary organizational work for this rally is well advanced, and recruitment is proceeding throughout Germany. The FDJ on February 2 asked Lord Mayor Reuter for permission to parade through West Berlin and to use the Olympic Stadium in the British Sector for sports demonstrations. This request has been refused.

Concern over the rally arises out of repeated and reliable intelligence reports that high Communist officials intend to use it to overthrow the legal Berlin Government by violence. The latest reports indicate that activists of the Soviet Zone "People's Police", either singly or in groups, may be sprinkled throughout the FDJ ranks.

A Western Allied standing action committee has been formed in Berlin to coordinate counter-measures. At their February 16 meeting the Berlin Commandants agreed that, while it would not be possible to exclude all FDJ elements completely, organized marching or demonstrations would not be permitted. Reuter stated this policy publicly on March 2, and the Commandants publicly backed him up. The High Commission on February 23 agreed to undertake such troop reinforcements as necessary in Berlin and other detailed plans to prepare for the demonstration have been worked out between the Allied Com-

[1] The source text was attached to a cover sheet which indicated that it and two other papers on German unity and the German refugee problem were documents prepared for the Ambassadors meeting scheduled for March 22–24 at Rome. The composite of the three documents was numbered RAM–6 and dated March 15. For the text of the paper on German unity, see p. 608; the paper on refugees is not printed. For further documentation on the Ambassadors meeting, see vol. III, pp. 795 ff.

mandants and the Berlin City authorities. The Secretary has been informed in detail of these plans.

(*b*) The "little blockade."

When the Berlin blockade of 1948–1949 ended, the National Security Council in its paper 24/3 [2] of June 1949 recommended that if the blockade were reimposed we should reply by resuming the airlift and reimposing the counter-blockade. This recommendation was approved by the President.

Beginning on January 13, 1950 with the seizure of eleven trucks laden with non-ferrous scrap, the Soviets have been imposing a series of intermittent restrictions on transport between Berlin and the Western Zones of Germany. The principal effect of the measures has been to strike at business confidence, without which the economic recovery of Berlin will be impossible in spite of all governmental aid measures. (See item 3 below)

In telegram 668, January 31, the Department presented its analysis of the situation and asked HICOG's reaction to a possible full counter-blockade on truck and barge traffic from the West to the Soviet Zone. At that time it was discovered that the Soviet Zone, if its purchases were paid, would have an excessive deficit in its trading account with Western Germany, principally because of certain steel shipments previously unrecorded. HICOG, in agreement with the British and French, proposed to embargo further shipments of certain valuable steel to the Soviet Zone. Since the British and French Governments would not agree to any further countermeasures, and indeed were reluctant to connect the steel embargo with the Soviet transport restrictions, the Department in telegram 4 to Bonn,[3] February 3, agreed to the steel embargo, and it was imposed.

On February 27 it became public that by an unauthorized agreement made with the Soviet Zone German officials, the Western German trade chief in Berlin (Kaumann) had lifted the steel embargo. After prolonged discussion between the Allied High Commission and Adenauer and his principal ministers on March 2, it was agreed that the steel embargo was to be reimposed and even extended to stop shipments already underway.

(For further details on the steel embargo see the paper on East-West Trade between the German Federal Republic and the Soviet Orbit.[4])

(*c*) Prospects.

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[2] Not printed, but see NSC 24/4, *Foreign Relations*, 1949, vol. III, p. 839.

[3] Not printed.

[4] Under reference is RAM D-7, dated March 15, not printed, which reported the nature of the trade control problem in the Federal Republic of Germany and Berlin and concluded that trade controls were expected to be imposed by the Federal Republic on contracts with the Soviet Union and its satellites only so far as other Western European countries exercised controls over similar trade. (CFM Files: Lot M-88: Box 144: Ambassadors' Meeting Rome 1950 Agenda)

It can be assumed that the Soviets, either directly or through the German Democratic Republic or both, will continue by every means and at every occasion they feel appropriate to try to make our position in Berlin untenable. Overriding political considerations make it necessary for us to resist these efforts.

2. *Strengthening Ties with the Federal Republic.*

Berlin has perhaps the most genuinely democratic and pro-Western government and people in all Germany. From the beginning Berlin has wanted to be the twelfth *Land* of the German Federal Republic, and Article 23 of the Bonn Basic Law provides that it is, although this part of the Basic Law was suspended by Allied action.

This Government has been sympathetic to Berlin's desires and has repeatedly pressed for their fulfilment. The British have not been unsympathetic. The French have opposed Berlin's inclusion in the Federal Republic. They oppose any development which seems to lead toward a unified Germany with Berlin as its capital. They have noted with uneasiness that East Berlin was not formally included in the Soviet-puppet German Democratic Republic and have felt that inclusion of West Berlin in the Federal Republic might be a violation of the June 20, 1949, Paris CFM agreement [5] on the "normalization" of Berlin life. They fear Soviet reprisals. Chancellor Adenauer has also been unenthusiastic about implementation of Article 23, largely, we believe, for political reasons (Berlin has a Social Democratic majority).

Because of this conflict we have had to be content with a HICOM agreement made October 27, 1949, and approved by the three Governments, to give Berlin *Land* status (outside the Federal Republic) approve its new constitution, and provide for closer ties with the Federal Republic, including placing certain Federal agencies in Berlin. Full implementation of this agreement is awaiting the Berlin City Assembly's revision of the constitution, which has been delayed.

3. *Improving Berlin's Economic Situation.*

The blockade left Berlin industry in a very poor competitive situation, and the city's economy deteriorated steadily until about 28 per cent of the labor force was unemployed on February 15, 1950. The "little blockade" mentioned above contributed appreciably to this deterioration.

The United States took the lead in organizing aid for Berlin's economy. The German Federal Republic, in the ECA bilateral agreement [6] signed December 15, 1949, assumed the obligation to extend such financial assistance as necessary. The Republic has reluctantly

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[5] For the text of Paris CFM communiqué on Germany and Austria, see *Foreign Relations*, 1949, volume III, p. 1062.

[6] Not printed.

continued the budgetary loans which had been given by the Bizonal Administration. Authority was granted McCloy to consider Berlin as entitled to receive ECA aid under the bilateral. In December 1949 ECA counterpart funds in the amount of DM98 million were released for investment in Berlin industry, housing and public works. Certain tax exemptions and other privileges have been given to encourage investment and the placing of business orders in Berlin. The Department of State and ECA are presently considering possibilities for increased aid.

862A.10/3-950 : Telegram

The Acting Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfort [1]

CONFIDENTIAL WASHINGTON, March 15, 1950—7 p. m.

1702. Re Berlin 401, rptd to Dept 341.[2] Reappearance acute financial crisis Berlin Magistrat few months after aid agreement concluded with FedRep indicates current budgetary problems not settled last Nov notwithstanding HICOM permission for FedRep using BDL credit. Whether cause for present crisis is Berlin's increased expenditures or FedRep inadequate appropriation, believe immediate need to support Berlin's recovery takes temporary precedence over basic desire to keep Berlin's expenditures within appropriate limits. Suggest you take energetic steps to assure Berlin treas able to pay current expenditures in Mar and subsequently until new aid agreement effective.

As for future, believe periodic recurrence financial crisis wld undermine our efforts to revive Berlin econ and cause great political damage. To forestall repetition consider desirable when aid agreement for period fol Mar 1950 negotiated you demand specific and binding assurances (*a*) from Magistrat to effect that expenditures can and will be kept within limits permitted by expected revenues and promised aid, (*b*) from FedRep that they consider Berlin's budget justified and will not cut down actual aid below promised amts. Monthly amt of FedRep aid cld be related to Berlin's current expenditures for unemployment relief so that econ improvement wld automatically reduce current aid payments. Outlined procedure might make more difficult conclusion new aid agreement but believe preferable to tackle issue at once rather than facing repeated Berlin's financial crises.

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[1] Repeated to Berlin as 67.

[2] Not printed; it reported that Federal Finance Minister Schaeffer was "only willing provide DM 45 million assistance Berlin budget in March." This might force the city to make further cuts in personnel and it would probably be unable to meet its payrolls throughout the month. The Berlin Element of the United States High Commission regarded either possibility "as extremely unfortunate in this period." (862A.10/3-950)

You have our full support in negots with FedRep and Berlin necessary to implement above suggestions. Keep us advised on progress.[3]

WEBB

[3] In telegram 390, March 20, from Berlin, not printed, the Berlin Element agreed that Bonn financial assistance should be planned for the whole fiscal year, but stated that the amount should be a flat sum per month rather than being related to the city's expenditures for unemployment (762A.00/3-2050).

Editorial Note

On March 22, at the meeting of the Ambassadors at Rome, Commissioner McCloy reviewed the German situation and stressed the importance of maintaining the position of the Western Allies in Berlin. For the summary record of his statement, see volume III, page 810.

762A.00/3-2350 : Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfort [1]

SECRET WASHINGTON, March 23, 1950—7 p. m.

1957. Re urtel 399 Mar 20 from Berlin,[2] I agree that there may be considerable advantage in making a proposal regarding reunification of Berlin. The chances of Sov acceptance, as you say, seem remote, but I think we must be certain that proposal wld be one we cld ourselves accept. Even if not now accepted, it might figure in later negots. For this reason, I wld like to be certain that risks involved in the plans are carefully weighed and that necessary safeguards are provided for. Certain questions occur to us in this connection. Wld presence of SED members in City Assembly permit effective sabotage of city Govt? Wld fact that GDR has hdqrs in East Berlin and that Sov Zone police operate there create insuperable problem? If after considering these points, you are satisfied that initiation of proposal wld be wise, you shld take it up with Brit and Fr. Wld it not be advisable to treat this in private mtg of three Commandants in order to minimize any leak which might easily result from discussion at regular mtg?

[1] Repeated to Berlin as 76.

[2] Not printed; in it McCloy reported his feeling that the time had come for some positive move concerning Berlin city-wide elections, not because he felt the Soviet authorities would agree to holding them, but because such a move would recapture the propaganda initiative and good capital could be made out of such a direct proposal to the Soviets. This move had been discussed in confidence with Mayor Reuter who was enthusiastic about it and felt there would be no difficulty in obtaining immediate City Assembly approval of a resolution addressed to the Commandants along these lines. (762.00/3-2050)

Any proposal made by Magistrat shld emphasize reunification of the city, making elections a vehicle for achieving this. The conditions which you mention, such as effective abolition of veto in a reformed Kommandatura, supervision of elections, and the like, are essential and shld be stated at the outset. Otherwise, we wld get into position of attaching conditions after proposal had been made. For this reason, res shld request that the Western Commandants approach Sov Commandant with proposal to unify the city by authorizing new elections but only under conditions which wld permit newly elected Govt to function effectively. With this as a basis, Commandants cld then make our conditions in communicating proposal by letter to Sovs. If matter does go forward, we wld wish to have opportunity to examine both docs before they were adopted.

This entire matter was gone into in considerable detail during Paris mtg of CFM last spring and positions which U.S. took at that time were ones which I agreed upon with Bevin and Schuman. You shld, therefore, be guided by these positions, except that Reuter's proposal to base a new Govt on 1948 constitution is probably preferable to our proposal last year. This involved using the 1946 temporary constitution with the deletion of Art 36.

The positions which we took are incorporated in docs which I believe are available to you. They are basically docs 10, 18, 19 and 21 of conference docs series. Minutes of discussions in CFM shld also be of value to you.[3] CFM docs did not, of course, take into account subsequent creation of GDR.

There are two other points which I think are of importance:

1. The proposals which Amer delegation submitted to CFM did not deal with currency question. It was our feeling that this question cld be solved only if polit unity of city were achieved and then only by action of city govt. The Amer position on this was set forth in doc entitled "Berlin Currency Settlement," and which may be further identified as USDel Working Paper 24/Rev–1, June 7, 1949.[4] Riddleberger[5] has a copy of this. I discussed this doc with Bevin and Schuman. While there was, I think, gen agreement on the ideas incorporated in it, it was never specifically agreed for submission to Sovs. It seems to me essential that we avoid becoming again engaged in discussions on currency and I see no reason why initial proposal need make any mention of the problem.

2. I agree with your comment that a proposal of the kind you have in mind wld fall within terms of Paris communiqué regarding normalization of the life of Berlin and that it cld appropriately be dealt with by occupation authorities. I also agree that it wld be desirable to keep it at Commandants' level. If Sov Commandant shld take posi-

[3] Regarding these documents and the minutes of meetings, see *Foreign Relations*, 1949, vol. III, pp. 913 ff.

[4] Not printed; a copy of this paper can be found in CFM Files: Lot M–88: Box 143: USDel Working Paper Series.

[5] James W. Riddleberger, Director of Political Affairs, Office of the U.S. High Commissioner for Germany.

tion that he does not have authority to deal with matter, it wld seem to me to be clearly within the authority of Sov Zone Commander and three Western High Commissioners. If train of events shld push subj onto govtl level, it shld be handled by note exchange rather than a mtg as I wld not wish to have matter develop in such a way as to involve us in another fruitless CFM mtg on this subj.

ACHESON

862A.191/4-150 : Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfort [1]

SECRET WASHINGTON, April 1, 1950—4 p. m.

2225. For PEPCO. Dept considering necessity for major continuing attraction in Berlin during months May, June, July and August on which our motive of "a free world supports a free Berlin" can be centered. We suggest a "Freedom Fair" (*Freiheits Messe*) to be held in suitable area in West Berlin. Centerpiece might be exhibit sponsored by free institutions, government and private (scientific, artistic, technical, industrial) of "Free Berlin". Surrounding exhibits wld be sponsored Western Germany and Western countries, including US. Theme of exhibits might be centered on youth activities in free world. Parts of fair may be built in style of sponsoring country. Fair might be supplemented by appropriate side shows of artistic, cultural, and entertainment nature, particularly attractive to youngsters. Projected automobile exhibition,[2] sports attractions, open air concerts, open air film showings, book fair, etc., may be included in plan and appropriately spaced throughout summer. In fact, each month may have special central attraction. Fair may be concluded on more serious note, e.g. with Cultural Congress, including international concert, theater and motion picture week, international and educational conference, etc.

If you agree, you may consider approaching without delay various German political, social, civil, and cultural groups and personages with request form sponsoring committee to spearhead organization of fair. Ger comite wld form part of overall quadripartite—U.S., U.K., Fr, and Ger—steering committee to signify international character sponsorship and facilitate necessary technical coordination.

Request your earliest reply since we intend go ahead with stateside backstopping, including formation U.S. sponsorship group and

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[1] Repeated to Berlin as 92.

[2] In telegram 385, March 18, from Berlin, not printed, Taylor had reported that the Commandants had approved a proposal to hold an international automobile show in Berlin during May and June and approved a recommendation to bring the UNESCO "Rights of Man" exhibition to the city for the same period. (862A.191 BE/3-1850)

enlistment prominent U.S. scientists, artists, industrialists, and civic leaders. Quite clear we cannot get whole show under way by May 15. However, part of it shld open in advance May 28 so that we avoid impression sole intention is to counter Soviet FDJ offensive; latter shld be secondary, while moral and political build up Berlin primary objective of Fair.

Expect your reaction soonest.

ACHESON

762.00/4–350 : Telegram

The United States Commander, Berlin (Taylor) to the Office of the United States High Commissioner for Germany, at Frankfort

SECRET PRIORITY BERLIN, April 3, 1950—6 p. m.

572. Reference mytel 558 April 2 rptd Dept 462 London 23 Paris 127.[1]

I. British, French and US political advisers met today to study proposal for All Berlin elections. They decided matter assumed extra urgency in light information re possible Soviet move on April 15 (Paragraph 4 mytel 562 April 1 rptd Dept 466 London 26 Paris 131 [2]) and additional information from Brit intelligence that Soviets planning some sort of *démarche* re Berlin on that date. PolAds felt it might therefore be advisable endeavor obtain tripartite clearances this week for proposal so that Berlin leaders can be approached with view to calling extraordinary City Assembly meeting April 13 to pass resolution for All Berlin elections. It was felt that should Soviets make any proposal April 15 re Berlin, however unacceptable, it would reduce potential propaganda value of subsequent west Berlin proposal, whereas prior action by City Assembly should spike whatever proposal Soviets may have in mind for April 15, and in any case May Day and Whitsuntide plans. HICOM understood to be discussing All Berlin election proposal April 6 and is hoped final agreement may be reached then.

II. PolAds considered Soviets might, without either accepting or rejecting proposal, come up with counter proposal involving following:

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[1] Not printed; it reported that the Western Commandants and their political advisers had met on April 1 at Taylor's request to discuss the approach to the Soviet authorities concerning city-wide elections. While the "French Commandant considered proposal offered great propaganda advantage and said he believed he could obtain approval within few days", the British Commandant "took somewhat lukewarm attitude." Both Commandants "felt proposal should be made in such terms that Soviets would be compelled to turn it down" since "Soviet acceptance would face us with most difficult situation." (762.00/4–250)

[2] Not printed; it reported that the Soviets might be planning an initiative for all-German elections before April 15 (762.00/4–150).

(*a*) Renewed quadripartite discussions re Berlin or lengthy exchange of notes or letters which would vitiate propaganda strength of original proposal.

(*b*) Renewal of proposals for City's reunification made by Vyshinsky at Paris CFM.

(*c*) Request for resumption of quadripartite "normalization" talks.

(*d*) Possible new proposal on much broader basis, including withdrawal of occupation troops and establishment of Berlin as "free city".

III. Against these risks (which should not be impossible to turn to our advantage if adroitly handled), PolAds considered it not too unlikely that, if we do not reach decision soon, Suhr [3] and/or other Berlin leaders may take matters in own hands and initiate City Assembly action which, if not coordinated with US, might put US in embarrassing situation.

IV. PolAds therefore made following recommendations which I fully endorse:

(*a*) Suhr should convene extraordinary session of City Assembly for April 13 to pass resolution.

(*b*) Resolution should then be sent by Oberbuergermeister to four commandants individually, not to western commandants only with request that they approach Kotikov,[4] as we originally suggested. (Reason for change is that direct approach from Assembly to Soviets would further reduce chances of latter's acceptance, would not involve western commandants initiating what might develop into long drawn out correspondence or discussions with Kotikov, and would give western commandants opportunity to give their predetermined approval while Kotikov would have to delay reply pending instructions from Moscow.)

(*c*) Immediately upon receipt of Assembly Resolution April 13 western commandants would individually tell press they were glad Germans had taken initiative, that proposal would, of course, have to be studied, but that it appeared acceptable in principle.

(*d*) Following day (April 14) western commandants would reply either individually or jointly (to be determined later) to City Assembly in writing, with text of reply released to press.

V. City Assembly Resolution should be left to Germans to draft, subject to Commandants approval, but should include following points:

(*a*) City-wide elections on basis 1946 electoral law to elect City Govt which would operate under constitution approved by City Assembly April 22, 1948.

(*b*) City-wide freedom of Assembly and political activity during election campaign.

(*c*) Maintenance of liberalized allied control as set forth in statement of principles.

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[3] Otto Suhr, a leader of the Berlin Social Democratic Party.

[4] Brigadier General Alexander Kotikov, Commandant of the Soviet sector of Berlin.

(*d*) Request made by City Assembly as "only legally elected representatives of people of greater Berlin".

VI. In written reply to Assembly proposal, Western Commandants would say that they approve plan as reasonable basis for reunification of city which they have long wished to see and that they would be glad have Soviets return to Allied Kommandatura provided they accept abolition of veto. As regards the 1948 Constitution, they would say that although Article I(2) and (3) cannot be effective at present since there exists no unified "German Republic" of which Berlin could be a member or whose Constitution and laws could be binding for Berlin, Article I(1), which declares Berlin a "German *land* and at the same time a city", could stand since the Western Allies are fully prepared to accord Berlin *land* status.

I hope that tripartite agreement on above may be reached this week. If plan is to be carried out in Assembly meeting April 13, we will have to approach Suhr and party leaders this weekend and also endeavor contact Reuter who is on leave. Without so doing, in view Easter holidays, April 13 Assembly meeting otherwise impossible. Although no positive information obtained re possible Soviet plans for April 15, I believe that, if we are to carry out our proposal, we should not run risk of having Soviets spoil its propoganda effectiveness by prior move.[5]

Sent Frankfort 572 rptd Dept 475 London 27 Paris 134.

TAYLOR

[5] In telegram 2324, April 5, to Frankfort, not printed, the Department of State approved the proposal of the Political Advisers (762A.00/4–550). On April 6, the Council of the Allied High Commission for Germany discussed the question of city-wide elections and issued instructions to the Commandants that (*a*) it approved holding elections on an assured democratic basis; (*b*) it had no objection to a demand by the City Assembly for such elections; (*c*) the Commandants should not impose conditions on the Assembly but should inform the Lord Mayor unofficially of their views: and (*d*) they should consider any resolution by the Assembly in the light of Allied responsibilities for Berlin. (Telegram 134, April 6, from Bonn, not printed, 762A.00/4–650)

762A.00/4–450 : Telegram

The Director of the Berlin Element, HICOG (Page) to the Office of the United States High Commissioner for Germany, at Frankfort [1]

SECRET BERLIN, April 4, 1950—8 p. m.

577. Deptel 2101 to Frankfort, repeated Berlin 8.[2] Special May Day committee representing labor, political parties, sports organizations

[1] The source text was sent as 479 to the Department of State.

[2] Not printed; it suggested that May 1 might "provide the opportunity to get counter-campaign to Berlin FDJ Whitsuntide rally into gear . . . to turn May 1 into impressive demonstration of organized labor against Sov policy." (762.00 May Day/3–2950)

and Magistrat is preparing program. Three speakers will be Reuter, for Berlin; Arnold, Minister-President North Rhine Westphalia, for western Germany; and Irving Brown (AFL) representing international labor. Committee intends solicit principal member unions International Federation Free Trade Unions for expressions support. It would appreciate all efforts get large volume letters or telegrams addressed "Berlin May Committee 1950, Nuernberger Strasse 55, Berlin W 30". Desirable such communications arrive early to permit use in press and radio before May 1.

Strongly recommend desirability expressions support from non-Communist labor leaders, not only in US but particularly other western countries. All labor leaders welcome here May 1 but committee emphasizes speakers limited to three already mentioned.

It should be borne in mind that May Day rally in Berlin this year transcends exclusively labor manifestation. All political parties and various civic groups and associations are participating, with active collaboration Magistrat. Event should be viewed as collective demonstration people of west Berlin in support freedom and democracy. This theme should be kept in mind in addition to traditional labor aspects in commentaries or messages on this occasion.

Sent Frankfort 577, repeated Department 479, Paris 136, London 28, Rome 4.

PAGE

762.00/4-550 : Telegram

The United States Commander, Berlin (Taylor) to the Office of the United States High Commissioner for Germany, at Frankfort [1]

SECRET PRIORITY BERLIN, April 5, 1950—4 p. m.

587. Reference Deptel 2252, April 4 [*3*], to Frankfort, repeated Berlin 96, Paris 1453, London 1495, Moscow 285.[2] Department had evidently not received our telegram 572, April 3, repeated Dept 475, London 27, Paris 134 [3] when its reference telegram was sent. While realizing that logical tie-up could be made between all-German and all-Berlin elections, we nevertheless do not believe latter must necessarily be dependent on former or prejudicial to its effectiveness.

Initiative has already been taken by US and followed up by Federal Government re all-German elections.[4] Even though it may be advisable postpone further definitive proposals by Western allies on this subject until after Foreign Ministers meeting in May, we do not

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[1] The source text was sent as 488 to the Department of State.

[2] *Ante*, p. 617.

[3] *Ante*, p. 836.

[4] Regarding McCloy's statement and the declaration of the Federal Government on all-German elections, on February 28 and March 22, respectively, see telegram 1644, February 24, and the editorial note, pp. 602 and 615.

see why action re Berlin need await this step. Arguments in favor early action here are:

1. Need for western allies to recapture initiative here before May Day and Whitsun. All Germany election proposal has not gained us any particular initiative as regards Berlin.
2. Possibility, as explained our reference telegram, that Soviets may make some major proposal on or about April 15.
3. Expressed impatience of at least Suhr with any protracted delay in concrete proposal for all-Berlin elections and possibility City Assembly action may be undertaken without our agreement if agreement delayed too long.
4. Having initiated discussion this subject with British, French and Germans, it would be embarrassing for us to hold back now. Further point for consideration is that, in order reap fullest advantage from any election and reunification proposals, a series of moves seems offer better chance of keeping subject alive than one combined move. First step was Mr. McCloy's statement for all German elections. Second was federal government's follow up. Logical sequel to these would be Berlin City Assembly's action and expression of western commandants concurrence in principle. This could be followed or preceded by HICOM general statement re Bonn declaration (although we would prefer HICOM make no public statement re Berlin until action taken here), while Foreign Ministers statement in mid May would again bring subject into headlines.

In view Department's hesitancy as expressed in (3) of its reference telegram, we suggest that since Soviets will almost certainly reject Berlin proposal because of its origin and conditions, chances there accepting all German elections would be diminished if Foreign Ministers statement reiterated Berlin proposal in making concrete suggestions for all-German ones.

Berlin aspect would, of course, be covered by all-German statement of Foreign Ministers, as Department suggests. We feel, however, this has dual disadvantage of (1) not putting sufficient emphasis on Berlin and (2) in coming too late for May Day and possibly even for Whitsun rally.

I therefore urge that serious consideration be given these factors with view to obtaining tripartite agreement for all Berlin proposal to be made April 13 if possible and in any case not later than April 21.

Sent Frankfort 587, repeated Department 488, London 29, Paris 140, Moscow 23, Department pass Moscow.

TAYLOR

762A.02/4–1250: Telegram

The United States Commander, Berlin (Taylor) to the Office of the United States High Commissioner for Germany, at Frankfort [1]

SECRET PRIORITY BERLIN, April 12, 1950—1 p. m.

638. From USCOB. City Treasurer Haas has returned from Bonn with news that Finance Minister Schaeffer will provide only DM 30 million financial assistance Berlin budget month of April whereas actual requirement to meet April deficit is DM 60 million.

Schaeffer failure to pay additional DM 15 million needed for March has resulted in inability to meet Berlin City payrolls for last half March including police.

This has caused big stir here and constitutes serious blow Berlin morale at time when Bonn's shoulder should be strongly behind city government. It seems clear Schaeffer thinking that US will bail out Berlin in any event.

It is odd coincidence that Schaeffer is providing exactly 20 million less than original estimate of DM 15 million budget deficit for April, making it appear as though he had simply deducted the 20 million counterpart aid just provided for Berlin emergency public works program.

Feeling against Schaeffer running high here as in effect he is being charged with stabbing Berlin in the back financially and rendering ineffectual strenuous efforts made by HICOM to relieve Berlin unemployment and speed Berlin recovery.

On US side it should never be forgotten that Schaeffer was removed from office as Minister President of Bavaria in 1945 and his freedom of movement restricted.

In an "off the record" press conference last week in Bonn Finance Minister Schaeffer reported by reliable sources to have commented as follows:

"Questioned on his visit to Berlin, Schaeffer spoke highly of the courage and the political activities of the Berliners. He stated except in Bavaria nowhere else people fight against political affairs with such strong passionate feeling. In this connection the Finance Minister mentioned the Berliners are practically suffering from an island complex and believe—which is entirely wrong—the whole world looks upon Berlin as upon center of fate. This be the only explanation to him the Berliners do not quite realize or do not want to recognize that the Western Allies have practically left them in the lurch last fall by cancelling the GARIOA funds for Berlin, referred them to the assistance of the FedRep. Dr. Schaeffer considered to be an unmistakable sign of the true intentions of the Western Allies in Berlin. After being reminded that, if his understanding is right, also the leading Berliners would express similar ideas in private talks, Schaeffer replied it be a well-known experience that men simply do not see things they are

[1] The source text was sent as 529 to the Department of State.

afraid of and which, in any case, would approach them, because they do not want to see them and rather imagine things than clearly face the dreadful reality."

Strongly recommend seriousness of situation be called at once to attention of Adenauer who should insist on its immediate correction especially in view of his forthcoming speech in Berlin 17 April. Adenauer may receive cool reception Berlin unless FedRep gives stronger evidence of genuine cooperation than Schaeffer position. Seems clear FedRep or at least Schaeffer not acting in good faith. In this connection, strongly concur Deptel 7 April, sent Frankfort 2407, repeated Berlin 104, Paris 1544.[2]

Sent Frankfort 638, Bonn 43, Department 529, Paris 159 for OSR.

TAYLOR

[2] Not printed; it reported that the impression in Washington was that "FedRep not acting in good faith by suggesting to start out with insufficient appropriation [for Berlin] and make all grants on *ad hoc* basis." (862A.10/4-750)

762A.00/4-1750: Telegram

The United States Commander, Berlin (Taylor) to the Office of the United States High Commissioner for Germany, at Frankfort [1]

SECRET PRIORITY BERLIN, April 17, 1950—2 p. m.

672. From USCOB. Political advisers met with Reuter and Suhr evening April 15 in accordance All Berlin election plan outlined mytel 641 April 15 repeated Department 531.[2] British PolAd had seen Suhr April 14 and he had meanwhile discussed project with three party leaders. Latter agreed on adoption of resolution by Assembly April 20 and left it up to Suhr to draft. Neumann, SPD chairman, at first favored timing resolution to hit Whitsun rally rather than May Day but was apparently won over without difficulty. Suhr did not have draft ready yet but promised submit it April 18. He and Reuter agreed on all points outlined reftel except they did not like idea of including in resolution statement limiting participation in new election to four political parties which took part in 1946 elections. They preferred no reference to subject. PolAds did not consider this an essential point and thought it could perhaps be included in commandants' reply if desirable. Re procedure for handling resolution, Reuter and Suhr had no objection to addressing it to all four commandants via Kommandatura, but were adamant that to be effective and demonstrate western Commandants' sincerity, latter must not

[1] The source text was sent as 559 to the Department of State.

[2] Not printed; it outlined preliminary planning for the city elections, agreed by the Political Advisers on April 11, with respect to timing, handling, the content of the City Assembly Resolution, and the content of the Commandants' reply. (762.00/4-1250)

reply to City Government only but must also make some approach to Kotikov. After considerable discussion in which it became evident Germans would not carry out plan unless satisfied on this point, PolAds suggested as compromise that when western commandants reply to City Government they will simultaneously send copy of it to Kotikov with simple cover letter informing him that this is their answer which will be made public following day. PolAds did not feel this would involve western commandants in protracted negotiations with Kotikov any more than original procedure would have and, in view German intransigence subject, considered it best solution obtainable. It may even offer certain additional propaganda advantages.

I fully concur with above and, since time is essential factor, will assume there is no objection to this minor change unless I hear to contrary by noon April 18 when Suhr is to submit Assembly resolution draft.[3]

Sent Frankfort 672; repeated Department 559.

TAYLOR

[3] On April 20, the Berlin City Assembly adopted a resolution which requested the Commandants of the four sectors to approve the draft constitution of 1948 and permit free elections as soon as possible in the city on the basis of the 1946 electoral law. On the same day the Council of the High Commission, meeting in Berlin, approved the text of a letter to the City Assembly welcoming this initiative and agreeing that the elections should be held under quadripartite supervision "to ensure that no pressure is brought to bear on either persons or parties." (Telegram 591, April 20, from Berlin, not printed, 762A.0221/4–2050) For the full texts of these two documents, see Berlin Senat, *Berlin: Quellen und Dokumente 1945–1951*, Hlbd. 2 (Berlin, Heinz Spitzing Verlag, 1964), pp. 1887–1890 or *Documents on German Unity* (Office of the U.S. High Commissioner for Germany, Frankfort, 1951), p. 223. The minutes of the 25th meeting of the Allied High Commission are in Bonn Embassy Files: Lot 311: Box 357: D(50) 1199*b*.

862A.10/4–2750: Telegram

The United States High Commissioner for Germany (McCloy) to the Office of the United States High Commissioner, at Frankfort [1]

CONFIDENTIAL BONN, April 27, 1950—7 p. m.

215. Oberbuergermeister Reuter informed liaison staff today that Adenauer had agreed to grant additional 30 million DM to Berlin for April, making total of 60 million DM, and a further 60 million for May.

Adenauer agreed further to a conference of Berlin, Bonn and American officials sometime in May for definitive long range settlement Berlin financial problem. Adenauer according to Reuter, said that while US officials were apparently adequately impressed with Berlin's need for financial assistance, they were not equally well-informed of Bonn's lack of funds. We got the impression that

[1] The source text was sent as 190 to the Department of State.

Adenauer was soliciting Reuter's participation in a united Bonn-Berlin front to elicit more American assistance.

Reuter stated that for the first time he felt Adenauer was definitely aware of Berlin's plight. He attributed this to the Chancellor's visit last week.[2] While Reuter was not actually complimentary to Adenauer, his remarks were definitely more restrained on the subject of the [Chancellor?] and indicated a real improvement in their relations.

Reuter stated that Schaeffer was slapped down several times by Adenauer in the course of their conference yesterday. Schaeffer, Reuter said, had directly accused Reuter of sabotaging the income tax law in conversations with Buttenwieser.[3] Reuter said he had not countered the charge beyond denying it but had agreed with Adenauer to temper his comments on the Bonn Government in conversations with Allied officials. In return Adenauer had promised him to keep Reuter better informed on negotiations in Bonn with the Allies. Reuter indicated jokingly that he was not holding his breath until Adenauer gave him his first report on HICOM negotiations.

Sent Frankfort 215, repeated Department 190, Berlin 91.

McCloy

[2] In telegram 588, April 20, from Berlin, not printed, Taylor had reported that after three days of conversations in Berlin between the Chancellor and the Mayor, the latter had agreed to go to Bonn to discuss details of the Berlin budget. Reuter's reaction to the conversation was one of "guarded optimism apparently feeling Chancellor had been genuinely impressed with seriousness of Berlin's problem and sincerity of Berlin efforts to reduce expenditures to minimum." (862A.10/4-2050)

[3] Benjamin J. Buttenwieser, Assistant U.S. High Commissioner for Germany.

PPS Files: Lot 64 D 563: Germany[1]

Memorandum by the Secretary of the Army (Pace), Referred to the National Security Council by the Secretary of Defense (Johnson)[2]

TOP SECRET
NSC 70

Washington, April 28, 1950.

Memorandum for the Secretary of Defense

Subject: May Day and Whitsuntide Youth Rallies in Berlin

1. Our intelligence and Communist press in Berlin have definitely indicated that there will be large scale Communist youth demonstrations in Berlin during the month of May. Soviet plans envisage the employment of as many as 500,000 persons in the demonstration sched-

[1] Lot 64 D 563 is the master file of documents, drafts, records of meetings, memoranda, and related correspondence for the years 1947–1953 of the Policy Planning Staff of the Department of State.

[2] Attached to the source text was a memorandum, not printed, by James S. Lay, Jr., Executive Secretary of the National Security Council, submitting this report to the Council for discussion on May 4.

uled for Whitsuntide (26–28 May) and a possible mass invasion of the Western Sectors of the city. It is believed that the May 1st demonstration will be on a much smaller scale and will not include an attempted entry into the Western Sectors.

2. The Berlin Youth Rally as planned by German Communists can have important military as well as political implications. Militarily, the intervention of Soviet troops to restore order could result in clashes with Allied Forces which might possibly lead to war. Politically, the failure of Allied troops to apply military force to the extent necessary to restore order might well result in the overthrow of the West Berlin Government and our eventual ejection from Berlin.

3. Since it is improbable that Soviet troops will be employed, the threat posed by the demonstrations is primarily a political one and is, therefore, under Executive Order No. 10062, a responsibility of the High Commissioner as the supreme United States authority in Germany. The Commander-in-Chief, European Command, will in accordance with his directive from the Joint Chiefs of Staff (JCS 1259/27 [3]), employ such military force as is requested by the High Commissioner to maintain law and order and support United States policy.

4. The following information has been received from the Commander-in-Chief, European Command, with reference to Allied plans for countering the threat of the Soviet sponsored youth demonstrations planned for May Day and Whitsuntide:

a. The West Berlin Police Force has been augmented to a strength of 12,000.

b. It has been publicly announced by British, French, and U.S. Commanders in Berlin that allied troops will support the West Berlin Police to the extent necessary to suppress any disorder. Available troops are as follows:

	In Berlin	*Alerted for Air Movement*	*Alerted for Surface Movement*
U.S.	1 Infantry Bn (922) 1 Constabulary Bn (887) 1 MP Battalion (635) 2 MP Companies (188) 1 MP Platoon (42)	2 Infantry Bns.	1 Reconnaissance Company
British	1 Armored Car Squadron (500 men) 3 Infantry Battalions (500 men) 300 Military Police (150 est. yet to arrive)	1 Inf Battalion	

[3] Not found in Department of State files.

	In Berlin	*Alerted for Air Movement*	*Alerted for Surface Movement*
French	1 Infantry Bn (700 men only 50% effective) 3 Squadrons Military Police 100 Gendarmes 2 Squadrons Armored Cars 6 Squadrons Military Police (enroute)	2 Infantry Companies (in U.S. planes)	5 Companies of Gendarmes

c. Special measures have been taken to insure that Berlin units are maintained at full strength, that adequate communications are provided, that all necessary supplies are on hand, and that medical units are alerted to move to Berlin if required.

d. Command Post Exercises and Communication tests have been held both within the U.S. Command and with the British and French to insure the adequacy of planned measures.

e. Emphasis has been placed upon the primary responsibility of the West Berlin Germans to control hostile elements and allied forces will not intervene unless the maintenance of order is beyond the capabilities of the German Police. If intervention becomes necessary, Allied forces will progressively:

(1) Demonstrate their intent to halt entry of rioters.

(2) Employ riot control measures such as night sticks, bayonets and non-toxic chemicals.

(3) Use individual and crew served weapons only when necessary to protect weapons or life or upon the order of the senior officer present when all other means have failed or to return fire.

5. Although the measures envisaged may result in the application of military force with concomitant bloodshed, this force will be applied only after German authorities, who are basically responsible for law and order, have failed to contain the demonstration. It is important that our informational output reflect this primary responsibility of Germans for their own affairs and emphasize that, while allied troops will be employed to the extent necessary, they will be used only when the maintenance of law and order is beyond the capabilities of German civil police. Publicity to date has emphasized the employment of force by the allies to the neglect of the primary role which the German civil authorities will play. It appears appropriate that a vigorous informational program be instituted both in the United States and abroad to report this matter in its true light.

6. I recommend that you refer this entire matter to the National Security Council outlining the situation in Berlin and the projected course of action there, pointing up the possibilities of international difficulties that might result from this action, seeking approval of the

progressive application of military measures as planned, and recommending that the Secretary of State undertake a vigorous informational program along the above lines.

FRANK PACE, JR.

762B.00/5-150

Memorandum by the Director of the Bureau of German Affairs (Byroade) to the Under Secretary of State (Webb)[1]

SECRET WASHINGTON, May 1, 1950.

Subject: Suggestions by Walter Lippmann concerning East-German Communist Youth Rally.

Reference is made to Mr. Sheppard's memorandum of April 26[2] informing me of your conversation with Senator Lucas concerning a recent article by Walter Lippmann dealing with the rally and demonstration of East German Communist Youth scheduled for Berlin May 26–30.

In the article in question, Mr. Lippman recommends that this Government address a communication to the Soviet authorities in East Germany setting forth the information which we possess concerning the rally and explaining the reasons behind our refusal to allow the Communist youth to demonstrate in West Berlin.

This communication would also include an appeal to the Soviets to cooperate with us in preventing violence and bloodshed. In the absence of a satisfactory reply from the Soviets, Mr. Lippmann further recommends that we place the Security Council of the United Nations on formal notice that there is a threat to the peace in Berlin.

With respect to the second recommendation, i.e., referring the matter to the Security Council, GER, UNA, and EUR have given very careful consideration to this possibility but consider that it would be a tactical error on our part to take any action, such as referring the matter to the UN, which would have the effect of elevating the planned demonstration of East German Communist Youth to the status of a threat to world peace and security. In this connection it has been the considered policy of the Western authorities in Germany to date to treat this event as an essentially local problem. We have taken this position for two main reasons: (1) to avoid alarming the Germans unduly by magnifying the threat and possibilities of the May demonstration, and (2) to avoid action which might leave us

[1] Attached to the source text was a note dated May 4, not printed, from William J. Sheppard, the Deputy Director of the Executive Secretariat, to Geoffrey W. Lewis, the Acting Deputy Director of the Bureau of German Affairs, suggesting that he discuss the Department's view on the rally with Senator Lucas' administrative assistant. The note bears the handwritten notation "Communicated to Mr. Kelley of Sen. Lucas' office 5–8."

[2] Not printed.

looking unduly alarmed if the demonstration develops into a harmless propaganda operation. Any communications to the Security Council would seem to play readily into the hands of Soviet proaganda which would characterize the Western powers as so weak as to be frightened by a peaceful gathering of mere children.

Furthermore, it might prove extremely difficult to formulate a communication which would convince the Council that the rally really represents a threat to the peace. The latest plans for the rally, as publicly announced, limit it to meetings. demonstrations and events in the Soviet Sector of Berlin, and Soviet propaganda could easily cite numerous statements which have been made by German Communist leaders concerning the peaceful nature of the demonstrations and the fact that they will be confined wholly to the Soviet Sector. Any warning that developments might become dangerous would have to be based on a miscellaneous assortment of reports. rumors and intelligence.

This position could and would be reconsidered. of course, and a suitable communication could be addressed to the Security Council if future developments indicate clearly that a threat to the peace is involved.

Our reaction to Mr. Lippmann's first recommendation, i.e., that we address a communication to the Soviets, soliciting their cooperation in maintaining law and order in Berlin, is similar to that expressed in regard to the second recommendation. As matters now stand we do not consider an approach to the Soviets either necessary or tactically wise. However, we are keeping in touch with the U.S. High Commissioner in regard to this matter with a view to reconsidering our position should developments between now and May 26 so warrant.

As a result of a series of statements by the Secretary, Mr. McCloy and the Western Allied Commandants in Berlin, there can be no doubt in anyone's mind as to our position with respect to the rally and our determination to resist vigorously all Soviet efforts to dislodge us from Berlin. Moreover, Mr. McCloy reports that there are indications that the Soviets are encountering difficulty in creating the desired enthusiasm for the rally and a Western Allied approach at this time might well serve to encourage or stimulate them to make more of the rally than they are now able to make of it. In addition, the Soviets could derive considerable propaganda advantage in replying to such a communication by characterizing the rally as a purely spontaneous, German affair with which they had no concern, thus making the Western Powers appear unduly apprehensive over a purely local celebration.

Mr. McCloy has indicated that he is not in favor of an appeal to the Soviets or notice to the Security Council.

This memorandum has been concurred in by Mr. Taylor of UNP and Mr. Reinhardt of EE.

PPS Files : Lot 64 D 563 : Germany

Memorandum by the Under Secretary of State (Webb) to the Executive Secretary of the National Security Council (Lay)[1]

[Extract]

TOP SECRET WASHINGTON, May 3, 1950.

NSC 70/1

Subject: NSC 70, "May Day and Whitsuntide Youth Rallies in Berlin."

In connection with the scheduled discussion of NSC 70 at the May 4 meeting of the Council, it is requested that you make the following comments of the Secretary of State available to the members in advance of the meeting:

The course of action outlined in Mr. Pace's memorandum seems quite proper and I believe the Council should take note of and approve the general line taken. However, this action should in no way preclude our taking such additional steps as may prove necessary in the light of new developments. In line with this, I think we should not attempt to adhere to a rigid plan but should permit our people in the field a good measure of flexibility in dealing with the situation.

I believe the recommendation that our information media should in the future stress the primary responsibility of the Germans in maintaining law and order is a good one. As a matter of fact, we are orienting our propaganda output along these lines, and we shall continue to do so.

The following is a summary of the propaganda counter-attractions arranged by the Office of the United States High Commissioner for the time of the rally and immediately thereafter. These counter-attractions are designed to detract from the preparations made by the Communists and turn the rally into a United States propaganda advantage;

1. *Exhibits and Cultural Events*

a) An Automobile Show is now scheduled for West Berlin to run from May 27 to June 4. So far eight major U.S. automobile manufacturers have agreed to participate, including Ford, General Motors and Chrysler. Arrangements for the sale of exhibition models are also being discussed. Six European manufacturers have already agreed to participate.

b) UNESCO Rights of Man exhibit in West Berlin has been scheduled for May.

c) A Cultural Congress has been arranged for June under the direction of Mr. Lasky.

d) Other cultural events such as Theater Week, Motion Picture Week, et cetera, are scheduled to run from the middle of May to the middle of September. In this connection, the Executive Office of the White House has promised publicity assistance through the Advertising Council of America.

[1] Attached to the source text was a memorandum by Lay, not printed, transmitting Webb's memorandum to the National Security Council for discussion at its meeting on May 4.

The Council's first suggestion, which has already been adopted, was to refer to the Western Sectors of Berlin in the future as "Free Berlin". In addition, the Advertising Council has instituted a campaign to solicit additional CARE packages for Western Berlin, and the distribution of special relief items through CRALOG* is being planned.

2. *Activities of the U. S. Overt Media.* The U. S. overt media in Berlin and Western Germany have been preparing to support such counter-attractions as will be established and are being guided in this effort by a special guidance forwarded to them by the Department. At the present time we are making every effort to show, on the one hand, that the West will take a determined stand in Berlin and, on the other, that the Soviet Union is attempting to exploit German youth to foster its own ends. This propaganda line is intended to instill fear in Soviet Zone parents so that they may prevent their children from participating in the rally. Intelligence reports to date show that this line has been fairly successful.

Soviet disavowals of violent intentions are noted with caution. Media have been instructed to emphasize the defensive aspects of our preparations stating that the U. S. would be only too glad if the Whitsuntide weekend passes without any major disturbances and our preparations prove unnecessary.[2]

. . . . . .

JAMES E. WEBB

*Council of Relief Agencies Licensed For Operation In Germany [Footnote in the source text.]

[2] There is no record in the Department of State files of any action by the National Security Council on NSC 70/1. The paper appears to have been disposed of by NSC Action No. 297.

PPS Files: Lot 64 D 563: Germany

Memorandum by the Under Secretary of State (Webb) to the Executive Secretary of the National Security Council (Lay)

TOP SECRET WASHINGTON, May 3, 1950.

Subject: Second Progress Report on NSC 24/3, "Possible U.S. Courses of Action in the Event the USSR Reimposes the Berlin Blockade", June 14, 1949, and NSC 24/4, "Phase-Out of the Berlin Airlift", July 25, 1949.[1]

NSC 24/3, in which certain courses of action are recommended if the USSR should reimpose the Berlin blockade, was approved as Governmental policy by the President on June 15, 1949. NSC 24/4, in which the phase-out of the Berlin airlift was recommended upon certain conditions, was similarly approved on July 28, 1949. It is requested that this Progress Report (dated April 29, 1950) be circulated to the members of the Council for their information.

[1] Regarding NSC 24/3, see NSC 24/4, *Foreign Relations*, 1949, vol. III, p. 839.

The action contemplated by NSC 24/4 has been completed, as indicated in the Progress Report of January 27, 1950,[2] and periodic Progress Reports on this paper are therefore being discontinued.

With respect to the action contemplated in NSC 24/3, the basic planning for re-institution of the airlift is continuing by the Department of the Air Force in collaboration with the Department of the Navy in consonance with the provisions of JCS 1907/38 (Plans for re-establishment of the Berlin Airlift),[3] as amended and approved 11 October 1949. The Commanding General, U.S. Air Forces in Europe, has prepared a detailed EUCOM plan which incorporates the basic concept of the plan prepared by the Department of the Air Force. This plan has been accepted by the Departments of the Air Force and Navy at the working level and is now being coordinated with subordinate Air Force commands. Certain minor revisions pertaining to administrative matters are being resolved.

The plan envisages an operation basically the same as the past Berlin Airlift, utilizing the same air bases, surface supply routes, air operations, and troop bases, and it reflects an increased naval participation, so that the Navy and Air Force contributions will be in direct proportion to their respective transport resources. The plan has not been formally approved, but, according to the Air Force, it could be implemented with minimum delay if such a necessity should arise.

With respect to paragraph 4*c* of NSC 24/3, in which it is recommended that "all measures requisite for the re-institution of the counter-blockade be kept in readiness," a joint tripartite Frankfort-Berlin trade and transport technical committee has been formed, the purpose of which is to "maintain liaison with the German Economic Ministry on east/west trade and to coordinate information from this source with that obtained from the Berlin (tripartite) technical committee". This committee has recommended that German border controls be supervised by Allied authorities with the view to obtaining and expediting information available at border crossing points to provide a flexible means of exerting retaliatory measures to ensure that regulations are being implemented.

In addition, elements of the Office of the United States High Commissioner for Germany will endeavor to:

a. Effect over-all coordination to collect such intelligence data as may be needed to implement and enforce prohibited restrictions.

b. Initiate the drafting of new German customs procedures whereby punitive measures, customs clearance in the interior of Federal territory, and customs investigation and enforcement service actions may

[2] Not printed; it reported the phasing-out of the airlift, Air Force dispositions in Germany for its speedy resumption if needed, and the status of food and coal stockpiles in Berlin at the end of 1949; and it noted that various contingency plans were being initiated to deal with a resumption of the blockade. (PPS Files: Lot 64 D 563: Germany)

[3] Not found in Department of State files.

be initiated without creating the political difficulty of naming the territory of the Soviet Zone a foreign customs territory.

c. Establish greater control over postal consignments.

German customs authorities have promised, effective May 1, 1950, to furnish the Office of the United States High Commissioner for Germany with copies of monthly operational reports from the seven border customs inspectorates established along the border of the German Federal Republic and the Soviet Zone. These reports are to include the number of freight cars, trucks, barges and persons moved, type of commodities, percentage of inspections carried out, list of confiscated goods and any unusual incidents.

The total strength at present of the German border control service, at the border along the Soviet Zone, is:

a. Along the British Zone-Soviet Zone border 3,589 (proposed strength 5,000).

b. Along the US Zone-Soviet Zone border 1,538 (proposed strength 2,000).[4]

JAMES E. WEBB

[4] The substance of the activities reported in the last four paragraphs was transmitted in telegram 3390, April 21, from Frankfort, not printed, which was a reply to a request by Washington for detailed information on action taken to implement NSC 24/3. (Telegram 2506, April 12, to Frankfort, not printed, 962.50/4–1250 and 4–2150)

762.00/5–950 : Telegram

The Director of the Berlin Element, HICOG (Page) to the Office of the United States High Commissioner for Germany, at Frankfort [1]

PLAIN PRIORITY BERLIN, May 9, 1950.

839. Following letter dated May 8 re Berlin elections received evening May 8:

"Dear General: I acknowledge receipt of a copy of your letter, dated 21 April 1950,[2] and forwarded by you to the Oberbuergermeister of the Western sectors of Berlin, on the subject of carrying out elections for Berlin as a whole. Even though the proposals contained in your letter had not been duly submitted to the appropriate quadripartite organs, and were addressed to the Oberbuergermeister of Berlin's Western sectors, I deem it necessary, nevertheless, in view of the question posed by you with respect to holding over all Berlin elections, and its bearing on the unity of Berlin, to make, on my own part, the following statement:

As is known, the Soviet Government had submitted, as early as June '49, for consideration by the Council of Foreign Ministers a

[1] The source text was sent as 699 to the Department of State.

[2] Regarding the Commandants' letter to the City Assembly, approved by the High Commission on April 20, see footnote 3, p. 843.

proposal with a view to holding free all city elections in Berlin under quadripartite supervision.[3] The representative of the Soviet Control Commission in Berlin, being guided by that proposal, was and is in favor of holding, as early as possible, free elections throughout Berlin aiming at the restoration of the city's unity along democratic lines.

The representative of the Soviet Control Commission deems it advisable that free democratic elections in Berlin be carried out subject to the following conditions:

1. Free democratic elections throughout Berlin must be carried out under quadripartite supervision, based on the electoral procedure that was adhered to in October 1946.

2. For the purpose of holding elections in Berlin, a German commission is to be set up on a basis of parity, i.e., on the basis of equal representation from the Soviet sector, on the one hand, and the Western sectors, on the other.

The functions of the commission will be the same as those which, pursuant to the provision concerning the 1946 elections (Chapter IV), were enjoyed by the Magistrat, and it will operate under quadripartite supervision.

3. Chapter II of the provisions concerning the 1946 elections, defining those persons who are entitled to electoral privileges, is to be revised with a view to curtailing the number of persons who are deprived of such privileges. In so doing, it is necessary to bear in mind the importance of establishing a procedure that will grant electoral privileges to former members of the NSDAP and of the other Nazi organizations, other than those persons who have been deprived of electoral privileges by a decision of a court.

4. The right to nominate candidates for election to an all Berlin magistrat (*sic*) should be shared by all political parties authorized in Greater Berlin, as well as by all public organizations sanctioned by the Inter Allied Commandatura.

5. The elected city administration is to function on the basis of the 1946 constitution for Greater Berlin.

6. The occupation statute for Berlin's Western sectors, introduced in May 1949,[4] by a separatist decision of the commandants of the 3 Western sectors of Berlin, is to be abrogated, and the German democratic organizations must be accorded the right to unrestricted activities in the Western sectors of the city.

7. With a view to creating conditions prerequisite to holding genuinely free and democratic Berlin elections in an atmosphere of tranquility, the garrisons of all the occupying powers shall be withdrawn from Berlin, and a division of Berlin into sectors is to be abolished.

The proposals, outlined above, represent the only correct means of insuring genuinely free and democratic elections throughout Berlin, and any implementation of these proposals would constitute an im-

[3] For the text of the Soviet proposal, CFM/P/49/20, dated June 6, see *Foreign Relations*, 1949, vol. III, p. 1048.

[4] For the text of the "Little Occupation Statute" for Berlin, see *Germany, 1947–1949: The Story in Documents* (Washington, Government Printing Office, 1950), pp. 324–326.

portant contribution to the restoration of Germany's unity along democratic lines.

Letters of identical content have also been forwarded to the Commandants of the British and French sectors of Berlin. Sincerely, Signed, A. Yelisarov, Colonel of the Guards, Deputy Representative, Soviet Control Commission in Berlin."

Sent Frankfort 839, repeated Department 699, Paris 224, London for USDel 57, Bonn 58. Department pass Moscow 44.

PAGE

Editorial Note

In preparation for the Foreign Ministers meeting in London, May 11–13, the Department of State drafted various position papers on Germany and the problem of Berlin, designated by the series indicator FM D E. The paper on Berlin, FM D E–4, was drafted in the Bureau of German Affairs on April 14 and underwent three revisions before being finally cleared as FM D E–4*c* on May 3. It recomcomended: 1) that steps be taken to maximize governmental procurement in Berlin, 2) that interzonal trade agreements be strictly enforced and safeguards provided in any future trade agreement with the Soviet Zone, 3) that immediate restrictions be imposed on deliveries to the Soviet Zone if restrictions were imposed by it, 4) that the United States should favor, but not press for, the lifting of the suspension of Article 23 of the Basic Law, thus allowing Berlin to become the 12th *Land* of the Federal Republic, 5) that the Foreign Ministers should publicly state that the Western powers intended to remain in Berlin, and 6) that the Secretary of State should attempt to impress on the British and French the need for maintaining a high level of efficiency in the Berlin garrisons and for coordinating Allied plans and operations there.

On May 12, at the end of their fourth meeting the Foreign Ministers released the following statement on Berlin to the press:

"The three Western Occupation Powers will continue to uphold their rights in Berlin. They are resolved now as in the past to protect the democratic rights of the inhabitants and will cooperate with the German authorities to improve to the utmost the economic position of the three Western sectors. Meanwhile the three governments will continue to seek reunification of the city that Berlin may take its due place in a free and united Germany."

For the texts of the various drafts of FM D E–4*c*, see CFM Files: Lot M–88: Box 149: May CFM 1950 E,F,G,H Series. For documentation on the preparation for and deliberations of the Foreign Ministers meeting, including the questions of Berlin and Germany, see volume III, pages 828 ff. For the text of the paper on Berlin, agreed

by the Foreign Ministers on May 12, see MIN/TRI/P/14 Final, volume III, page 1091.

762A.00/5–1150 : Telegram

The United States Commander, Berlin (Taylor) to the Office of the United States High Commissioner for Germany, at Frankfort [1]

SECRET PRIORITY BERLIN, May 11, 1950—10 a. m.

680. Reference mytel 846 May 9 repeated Department 705, London for USDel 60, Paris 228, Moscow 47, Bonn 60.[2]

I met with Germans May 10 (British preferred I do so alone to avoid publicity re special commandants' meeting) to ascertain their views re Yelisarov letter on Berlin elections.

Although they said they had not previously discussed it among themselves, Germans were unanimous in rejection of Yelisarov's conditions, particularly points 2, 5, 6 and 7. None thought there was any urgency in replying to it. Reuter declared 7 "so ridiculous there is no need even discuss it". He considered very fact Yelisarov answered it [*at?*] all indicated weakness and he thought Western commandants in replying should reiterate, but in more precise form, Western conditions as set forth in commandants letter of April 21 to city authorities. Schwennicke [3] agreed and added suggestion that Western commandants reply to Yelisarov should also force him to explain his conditions.

Batzel, representing CDU (Schreiber was in Bonn), thought Yelisarov's letter, although negative, indicated he was prepared discuss matter. Berlin unity vitally important to Berliners, said Batzel, but "we can't commit suicide by withdrawal of troops." Mattick (SPD), representing Neumann, also in Bonn, said he had no illusions that Yelisarov's letter meant he seriously intended have elections. He pointed out City Assembly, in which SED theoretically still has 11 seats, was logical source for initiating elections; also that 1948 constitution was drafted with SED cooperation.

Re withdrawal of troops, Mattick suggested Yelisarov might be asked if Soviets intended withdraw troops from Soviet Zone before October 15 elections.

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[1] The source text was sent as 716 to the Department of State.

[2] Not printed; in it Taylor reported that West Berlin and Allied reaction was unanimous that Yelisarov's letter was tantamount to a refusal. The question for determination, then, was how to handle it in order to retain the initiative, avoid lengthy negotiations on the elections that might delay approval of the constitution and the holding of elections, and avoid exposure to the charge of continuing to split the city. Taylor was arranging a meeting with the British, French, and West Berliners to ascertain their views on the letter and how to handle it. (762.00/5–950)

[3] Carl-Hubert Schwennicke, leader of the Berlin FDP.

On Reuter's suggestion, Germans agreed in recommending following course of action:

1. That I, as chairman commandant, forward to Reuter "for his information" copy of Yelisarov's letter.
2. City Assembly will discuss and criticize letter and conditions in regular session May 16 (they had already planned do this in any case). No formal action will be taken at this session, however.
3. In next regular Assembly meeting June 1, another letter or resolution, reiterating specifically their views, will be proposed by magistrat and, after adoption by Assembly, will be forwarded to all four commandants.
4. In light this letter, Western commandants will then reply to Yelisarov setting forth their position in detail.

1. Object this program is to keep City Assembly, as legally elected body which initiated proposal, in picture.

The program appeared to me effective and well timed. British and French commandants subsequently agreed and are so informing their Foreign Offices.[4] Yelisarov's letter does not therefore appear necessitate any direct mention by Foreign Ministers although program would not seem conflict with some oblique reference to Berlin elections such as that suggested mytel 834, May 8 repeated London for McCloy 54.[5]

Commandants will meanwhile issue no further formal statements to press, but in reply to probable press questions after regular Kommandatura meeting May 12 will merely say, individually, that we have communicated Yelisarov's letter to Assemby and that we are studying it further. Propaganda media will meanwhile follow lines recommended in Deptel 3246 to Frankfort May 10 [*9*], repeated Berlin 179.[6]

Sent Frankfort 680, repeated Department 716, London for USDel 62, Paris 230, Moscow 48, Bonn 62. Department please pass Moscow.

TAYLOR

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[4] In telegram 185, May 12, to Berlin, not printed, the Department of State agreed to this program of action, but stated its preference for a City Assembly resolution or letter before the FDJ rally began on May 28. The Berlin Element replied that this was not feasible, but that Reuter would read Yelisarov's letter to the Assembly at its May 16 meeting, and take a decision on it at the next meeting on June 1. Unnumbered telegram from Frankfort, May 16, not printed. (762A.00/5–1150 and 1650)

[5] Not printed; it transmitted the text of a draft declaration on Berlin which, *inter alia*, welcomed the City Assembly proposal for elections. (London Embassy Files: Lot 59 F 59: 350 Germany)

[6] Not printed; it stressed that Yelisarov's letter was under study and no official reaction could be expected until the study was completed. A number of interim points for development by news media were then suggested. (762.00/5–950)

762A.00/5–1750 : Telegram

The Acting Secretary of State to the Berlin Element of the Office of the United States High Commissioner for Germany [1]

SECRET WASHINGTON, May 17, 1950—7 p. m.

194. Berlin's tel 699 May 9, sent Frankfort 839 rptd Paris 224, London 57, Moscow 44. Deptel 185 May 12 to Berlin, rptd Frankfort 3359, London 2259, Moscow 410.[2] Dept suggests fol ideas to be discussed with Brit, Fr and Berlin leaders in connection with reply Sov letter May 8 on Berlin elections. Some of these points might be incorporated in City Assembly res and/or Allied reply as you think best. Fol not to be considered as rigid instrs.

Allied reply shld convey general tone of seeking clarify and resolve differences between Western and Sov proposals rather than outright rejection Sov proposals. It shld leave no doubt however that some of proposals are entirely unacceptable as they stand. This method seems desirable both indicate our sincerity in exploring whether genuine agreement is possible on terms acceptable to West and achieve best propaganda position if agrmt impossible. Our reply shld not invite direct negots but shld give impression further clarifying correspondence desired.

After initial remarks noting with pleasure Sov agrmt on free elections to restore Berlin's unity Commandants' ltrs might comment on seven Sov conditions somewhat along fol lines. It is disappointing Sovs again suggest some conditions which were thoroughly discussed at Paris CFM in 1949 and rejected by Western Powers. These conditions are no more acceptable now than then. As to individual conditions:

1. Agreed
2. This proposal was made by Vyshinsky at Paris CFM in 1949 and was unacceptable US, Br and Fr then. It is still unacceptable, since Sov Sector is only one of four Sectors and contains only one-third of Berlin population. (We cld reiterate Western counter-proposal at CFM, that each commandant appoint same nr of Ger reps. We might also agree to a Ger comm chosen on basis relative pop in East and West Berlin.)
3. Agreed provided denazification tribunals are included in definition of "court".
4. This proposal was also made by Vyshinsky at 1949 Paris CFM and was unacceptable Western Powers. It is still unacceptable. If a party decides it wants trade union or other representation in govt it can of course nominate representatives for such groups.
5. Proposals of Berlin City Assembly called for elections on basis of 1948 constitution. This reps a reasonable forward step since 1948

[1] Repeated to Frankfort as 3494, London for USDel as 2366, Moscow as 424, and Paris as 2251.

[2] Not printed, but see footnote 4, *supra*.

constitution was passed in unified City Assembly with SovSec and SED participation. US (Br, Fr) Commandant ready to approve 1948 constitution and invites Sov Commandant to do likewise. (At Paris we were agreeable 1946 constitution with deletion Art. 36 and substituion new US formula. See CFM Minutes, Vol VI, pp 70–71.[3] We can retreat to this position later if exchanges proceed further.)

6. What if anything wld Sovs substitute for May 1949 Occupation Statute? Sov proposal makes no mention of reestablishing quadripartite Allied Kommandatura. Does this omission mean that after possible withdrawal of garrisons Berlin City Govt wld not be under Allied Control? If it is to be under Allied control, what kind of control and to what extent shld the control mechanism have power over the democratically elected city Govt? The US (Br, Fr) Commandant cannot agree to return to former Kommandatura procedure under which one Commandant cld veto desires of other three and paralyze effective democratic Govt in City.

Does Sov proposal that "Ger dem orgs" be accorded freedom in Western Sectors mean Sovs are prepared grant right of unrestricted activity in their Sector to Polit parties and other orgs such as UGO presently operating in West Sectors? (If Sovs wld agree to freedom for Western orgs there wld seem to be no serious objection permitting their orgs operate freely in West Berlin.)

7. This is new proposal not previously put forward. US (Br, Fr) Commandant wld like know why it is proposed withdraw occupation troops from Berlin in advance such withdrawal from all Ger. If withdrawal of troops considered necessary for free elections, does Sov Govt contemplate withdrawing its troops prior Oct 15 elections in its Zone and Berlin Sec? (Of course we cld not agree withdrawal of troops from Berlin alone in view its location in heart of Sovzone.)

US (Br, Fr) Commandant considers it essential to free elections that genuine freedom of speech, press and assembly be guaranteed before, during and after elections and that no man be in fear of reprisals on account of opinions held or expressed in a peaceable manner. *End outline of suggested reply.*

Dept believes we must show our sincerity in seeking achieve agreement with Sovs on elections. It is our understanding important Ger leaders believe our moves for all-Berlin and All-German elections shld be more than just propaganda maneuvers and feel one more real effort see whether Sovs will agree unification on acceptable terms necessary at this time before we recognize split of Berlin and Ger. Dept does not of course have much hope this effort will succeed but is willing go through with it, especially since Fr seem require positive evidence of Sov unwillingness to reestablish Berlin as unified quadripartite city before considering possibility Berlin's becoming 12th *Land* in Fed Rep. We believe negots shld be carried considerable distance by exchange of notes, in which positions are clearly stated and authenticated and polemic kept to minimum although realities Sov conditions

[3] A copy of this volume of CFM minutes, prepared by the Division of Historical Policy Research in September 1949, is in Box 234 of Lot M–88. The minutes of the 12th (2d Restricted) meeting of the 1949 CFM, under reference here, are also printed in *Foreign Relations*, 1949, vol. III, p. 949.

clearly revealed. If such exchange shows narrowing of differences indicating possible alteration previous firmly held Sov views, then it might be worthwhile negotiate further across a table. Dept wld not agree however resuming face-to-face negots in old atmosphere of recrimination and sparring for propaganda advantage without some hope concrete results.

WEBB

462A.62B/5–2650 : Telegram

The Acting Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfort [1]

TOP SECRET WASHINGTON, May 26, 1950—4 p. m.

3757. Dept considers that para 4 of FonMins agrmt on Berlin [2] is virtual tripartite acceptance of para 4(*c*) of NSC 24/3, June 14, 1949, and is indeed a broader formulation of NSC recommendation. It is considered imperative that you approach your Br and Fr colleagues to obtain vigorous and speedy implementation this decision.

As we understand from various HICOG reports, most recent of which was desp 783 May 8,[3] Ger Fed Govt has received instructions relating to licensing aspects of interzonal as well as foreign trade but has not received proper instructions on interzonal border controls. Moreover, Allied supervision of interzonal border controls appears to be non-existent. Tight control of the interzonal border is necessary not only to implement East-West security controls and enforce interzonal trade agrmt but also to put us in readiness to take counter measures as reply to Sov restrictions on Berlin transport. Our last progress report (based on Frankfort's 3390 Apr 21 [4]) to NSC on implementation of 24/3 was weak, especially re this point. We do not want our next report to be weak. In this connection you are undoubtedly aware that six Senators have written a sharp criticism of alleged violations of steel embargo and that the weight of evidence indicates this embargo not being enforced. Refer also to Bundestag debate May 12 and *Der Spiegel* May 11.

Re point (3) urtel 3793 May 3, rptd Bonn 81,[5] Dept recognizes that Ger customs officials at border shld have full auth take necessary measures act directly in cases customs violations by non-occupation personnel, incl search, apprehension and detention as appropriate, and

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[1] Repeated to Berlin as 210, Paris as 2426, London as 2557, and Moscow as 452.
[2] For text of MIN/TRI/P/14 Final, see vol. III, p. 1091.
[3] Not printed.
[4] Regarding telegram 3390, see footnote 4, p. 852.
[5] Not printed; it reported a HICOG estimate that 970,000,000 DM had been lost through smuggling in the last twelve months. In point 3 the Federal Government asked for the transfer of authority over persons involved in customs violations from HICOG to the Federal Government. (462A.62B234/5–350)

wld support assignment such auth to Ger officials to extent not previously done. Advise current status this respect. However, Dept sees no necessity make exceptions in cases such customs violators to existing procedures under HICOM Law No. 13 by transferring them jurisdiction Ger courts. In view strong interest occupation auths in securing adequate customs controls believe HICOM courts can be counted on to deal effectively with such cases.

HICOM agrmt at earliest moment therefore seems essential to issue necessary orders to FedRep, provide for Allied supervision, and determine exact type of retaliation in reply to various degrees of Sov or GDR restrictions on Berlin trade and transport. Dept wishes to be kept fully informed on these steps. Moreover in view of indications that Sovs and East Gers are restricting Berlin transport more thoroughly and more impudently as time passes without effective retaliation from our side your views as to whether overt retaliation shld now be used wld be appreciated. This is all the more a burning question since *Frankfurter Allgemeine* May 12 alleged that SovZone trade balance with West Ger has turned into a credit. (Deptel 3604 May 22 [6]) Dept is inclined to believe that critical Western Ger deliveries to East shld be restricted as direct retaliatory measure, including maintenance and real enforcement of steel embargo until Sov and GDR restrictions are lifted.

WEBB

[6] Not printed; it asked a series of questions regarding interzonal trade and the assumption of Federal responsibility for export control over security items. (462A.62B/5-2250)

Editorial Note

On June 1, the City Assembly adopted unanimously a declaration responding point by point to Yelisarov's letter. It agreed to points 1 and 2 subject to the commission's being elected by the Assembly according to the ratio of its factions (parties). Point 3 was accepted, but the proposed right of public organizations to nominate candidates under point 4 could not be granted. The City Assembly also objected to all or parts of the remaining three points. Copies of the declaration were then forwarded to the four Commandants. After receiving the declaration the Western Political Advisers on June 6 drafted a joint letter to Yelisarov which was considered and approved with minor revisions by their Commandants on June 9 and delivered on the following day. In general this letter reiterated the points made in the City Assembly declaration and closed by repeating the principles enunciated by the Western Foreign Ministers at their May London meeting with regard to German unity. Regarding these principles, see MIN/TRI/P/13 Final, volume III, page 1089.

The Soviet reply was delivered on June 24 and amounted, in Taylor's view, to a "definitive closing of door on city-wide elections or even on any further exchange of views thereon", repeating previous Soviet arguments and those made at the Sixth Session of the Council of Foreign Ministers in Paris in 1949.

For the text of the Assembly's declaration, the Western Commandant's letter, and the Soviet reply, see Berlin Senat, *Berlin: Quellen und Dokumente, 1945–1951*, Hlbd. 2 (Berlin, Heinz Spitzing Verlag, 1964), pages 1893–1899, or *Documents on German Unity* (Office of the United States High Commissioner for Germany, Frankfort, 1951), pages 226–231. Taylor and Page reported on these developments in telegrams 847, 871, 895, 967, 969, and 981 during June, none printed. The Department of State and HICOG added their views in telegrams 226 and 390 respectively, neither printed. (762.00 and 762A.00)

762B.00/6–250 : Telegram

The Chargé at Berlin (Page) to the Office of the United States High Commissioner for Germany, at Frankfort [1]

SECRET

BERLIN, June 2, 1950—6 p. m.

1046. Significance *Deutschlandtreffen* from Berlin standpoint may be summarized as follows:

1. Vital importance Berlin for both West and East again emphasized. For West, it constitutes most potent weapon against communism. For East, it represents continuing menace which must be neutralized soon as possible. *Deutschlandtreffen* a major political move to this end. Failure to carry out original declared intention occupy West Berlin is tactical victory for West and defeat for East, but renewed attempts certain. Unremitting vigilance and continuing constructive effort essential to maintain Berlin as bastion of democracy in Communist sea and to utilize unique opportunity for affirmative counteraction. These conclusions underlined by *Deutschlandtreffen* events as summarized Berlin's 1019, May 30 to Frankfort, repeated Department 836, Bonn 87, London 89, Paris 285, Moscow 70; and Berlin's 1036, June 1 to Frankfort, repeated Department 849, unnumbered London, pouched Paris and Moscow.[2]

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[1] The source text was sent as 854 to the Department of State.

[2] Neither printed; the former reported that Allied observers in Berlin felt that the arrangements for the *Deutschlandtreffen* (Whitsuntide youth rally sponsored by the Soviet Zone Free German Youth) represented a major achievement for the East Zone Communists, while the latter reviewed press coverage for May 30–31. (762B.00/5–3050 and 962A.61/6–150)

2. Exceptional importance youth (reference last two paragraphs Berlin's 1040, June 1 to Frankfort, repeated Bonn 89, Department 851, Moscow 74, London 93, Paris 94).[3] Most effective counteraction Soviet effort regiment and indoctrinate East German youth and appeal to West Berlin and German youth, is effective West Berlin and West German youth action operating on truly democratic basis.

Youth groups here appreciate this fact and have contributed effectively to maximum their resources in counterpropaganda effort during Whitsun period. Work with FDJ boys and girls who have visited West Berlin during past three days particularly significant. It is essential, however, that West youth be encouraged and assisted in every feasible way to strengthen democratic convictions and means of action. We propose to give this problem preferred attention in Berlin.

3. Effect of *Deutschlandtreffen* on West Berlin population can not yet be clearly appraised. It is evident that West Berliners view it with mixed emotions: relief at failure of threat against West Berlin to materialize, coupled with varying degree of realization ominous significance this mass regimentation East German youth. Fact *Deutschlandtreffen* is not final episode, but merely one phase continuing Communist assault on Berlin, emphasized by Reuter and other German spokesmen as well as in press comment. On balance, safe to say West Berliners do not have false sense security, but realize necessity continuous watchfulness and effort strengthen democratic position and counter continuing Communist pressure.

Sent Frankfort 1046; repeated information Bonn 92, Department 854, London 94, Paris 297, Moscow 75.

PAGE

[3] Not printed; it reported that the Kremlin was "making substantial progress along well-known lines toward assimilation of East Germany" but that the "Commie digestion process is far from complete." (762B.00/6-250)

862A.10/7-1050 : Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfort [1]

SECRET WASHINGTON, July 17, 1950—7 p. m.

385. For McCloy from Byroade. We agree with urtel 254 July 10 [2] that sums involved appear necessary to prevent deterioration economic and social conditions Berlin. We therefore agree to use of GARIOA special account funds in amounts you requested either directly or indirectly to meet Berlin deficit.

[1] Repeated to London as 302 and to Paris as 297.

[2] Not printed; in it McCloy reported his belief that a supplement, not to exceed 300 million DM, was needed to meet the Berlin budget deficit. (862A.10/7-1050)

As we understand situation, Fed Rep hopes to bring Berlin deficit down to DM 500 million for FY 1951. Fed Rep will make contribution DM 250 million and will seek GARIOA funds to cover balance deficit, which wld not be expected exceed 300 million apart from DM 170 million explained below. However, in Tocca 705 July 12,[3] which forecasts payments from GARIOA Special Account in FY 1951, provision is made for DM 500 million (not DM 300 million) in support of Berlin, apart from DM 160 million for Berlin work projects through March 31, 1951 and DM 10 million for Berlin capital loan project FY 1951. We assume larger figure in budget is to guard against contingencies.

We had foreseen political difficulties outlined reftel in forcing FedRep maximize Berlin aid. This situation primarily was basis for amendment ECA act continuing deposits GARIOA Special Account, providing DM funds which cld be assigned to Berlin without requirement consent FedRep. However, we had planned such funds for emergency use but are disturbed that emergency such magnitude already upon us.

Unless other solution found, Berlin budgetary difficulties will continue at approximately present magnitude over next two years, and perhaps longer. In meantime, US dollar aid to Ger will diminish and US ability to provide DM aid to Berlin will sharply decline. Under present proposal, US will contribute DM 470 million to Berlin during FY 1951 which will exceed planned intake GARIOA special account for same period. We do not see how we can plan to make amounts on this order magnitude available next year or year after. If FedRep now refuses on political grounds assume larger share burden supporting Berlin, have we any reason to believe it will be prepared make larger contribution in FY 1952 or thereafter? If not, we may indeed have a problem.

Entirely agree that UK and France shld contribute something to situation, and agree reduction occupation costs offers reasonable opportunity. This wld, of course, involve similar action by US. With curtailment ECA appropriations, do not believe suggestion reducing ECA allocations wld be desirable element introduce such negots at this time. However, will make strong representations to Brit and Fr if you so desire, in addition to action reported Para 15 Bonn 27 July 14.[4]

[3] Not printed.

[4] Not printed; it transmitted a summary of the Allied High Commission Council meeting of July 13, at which, *inter alia*, McCloy had urged the British (Sir Ivone A. Kirkpatrick) and French (André François-Poncet) High Commissioners to step up their financial aid to Berlin. (762A.0221/7–1450) At the Council meeting on August 10 in Berlin, McCloy again raised this question with his colleagues. Kirkpatrick, seconded by Bérard for the French, replied that his Government recognized the importance of Berlin, but had just agreed to additional expenditures for Western defense and until the Federal Republic gave substantial financial aid, no British contribution could be expected. McCloy expressed his disappointment at this attitude and the Council agreed to reconsider the matter after a review of the Berlin budget. Telegram 214, August 10, from Berlin, not printed. (740.00/8–1050)

Basic problem wld appear to be distribution resources within Ger. We had hoped Berlin problem cld be brought within manageable limits by plan such as that outlined by Schaeffer for shift to FedRep of fixed Berlin expenditures, but on scale considerably larger than he apparently intends, and by intensified investment which wld increase economic activity and thereby increase city revenues over period of time. This wld result in progressive reduction Berlin deficit, at same time US controlled funds diminished.

We note statement Para 3 urtel 5475 [6] that FedRep if it assumed larger responsibility for support Berlin wld use this issue as pretext for deviation balanced budget policy. We think this less serious than assumption by US of commitment for long term support Berlin without funds in sight for carrying out commitment.

Our main concern is that FedRep not be relieved of its obligation under bilateral to support Berlin and that US not be committed to assume burden supporting Berlin for future. We wld also appreciate any ideas you may have for handling situation in FY 1952 and thereafter if Schaeffer proposal accepted now. [Byroade.]

ACHESON

[6] Not printed; it reported various aspects of Federal Finance Minister Schaeffer's attempts to advance financial aid to Berlin. In paragraph 3, Frankfort reported its reluctance to bring additional strong pressure to bear on the Federal Republic to cover the full Berlin deficit since this would contribute to Bonn's budget deficit and conflict with the United States policy supporting a balanced budget. Frankfort reported further that it was "convinced necessity for continuous pressure on Berlin Magistrat restrict expenditures." (862A.10/6–2650)

962.50/7–2750 : Telegram

The United States High Commissioner for Germany (McCloy) to the Secretary of State

TOP SECRET PRIORITY FRANKFORT, July 27, 1950—1 p. m.

725. Subject implementation of paragraph 4*c* of NSC 24/3 following is action taken since our telegram 3390, April 21 : [1]

1. A Berlin Joint Committee (tripartite) has been formed to assist HICOM in implementation of Foreign Ministers' decision MIN/TRI/P/14 final.[2] On its recommendation HICOM council agreed on 15 June:

(A) That Berlin commandants immediately:

(1) Establish check points in Berlin at western approaches.
(2) Establish internal checkpoints on sector boundaries plus roving patrols.

[1] Not printed, but see footnote 4, p. 852.
[2] For text of MIN/TRI/P/14 Final, see vol. III, p. 1091.

(3) Establish German authority in Berlin equivalent to Oberbehoerde (screening agency) in zone to implement export control program.

(4) Establish communications net from check points in West zone to Berlin.

(Draft order from Allied Kommandatura to Berlin Magistrat requiring implementation above program approved by BJC in meeting 21 July.)

(B) That measures be taken to counter Russian interference with allied and German traffic on the waterways, with the understanding that such measures would not be applied to Czech barges for the time being. (British element in Berlin which controls canal locks is prepared to stop Eastern German barges if situation requires.)

(C) That steel embargo be maintained for the time being. (HICOM on July 20 agreed to extend Frankfort trade agreement until 30 September and permit resumption of iron and steel shipments, provided (*a*) that shipments of rolling mill products proportionately limited, and (*b*) that if the Soviet zone failed to lift existing restrictions on trade and traffic or re-imposed restrictions, agreement would be considered null and void. As of this date, agreement has not been extended by the Germans representing the two areas and steel embargo remains in effect.)

(D) To consider following measures as occasion may require:

(1) Selective restriction on exports from West Germany to Soviet zone of key commodities most likely to cause bottlenecks in East German industry. (No action taken except continuation steel embargo.)

(2) Measures to restrict or stop barter deals between East and West Germany outside the inter-zonal trade agreement. (Federal Republic advised that all transactions with East zone must clear through central account. Since 1 July, payments agreement has been inoperative and limited barter transactions have been permitted in absence of other means of payment.)

(3) Interference with East-bound traffic and shipments originating in West after establishment of control machinery. (No action taken.)

(4) Measures to restrict or stop West German exports to eastern Communist-controlled countries. (No action taken except for continuing program of 1–A and 1–B controls.)

(5) Measures to restrict or stop shipments from West Germany to western countries destined for Soviet-controlled countries including the satellite states. (Spot checks being made as widely as limited personnel permit.)

(6) Measures to restrict or stop shipments from Western countries via Western Germany to Soviet zone or satellite states. (See (5) above.)

(7) The Federal Government to insist on validating documents covering exports of East zone goods to or through Western Germany. (No action taken.)

(8) Measures to ensure that shipments of given commodities from West zone approved for West Berlin are not diverted en

route or transshipped to East sector or East zone after arrival. (See 1(A) above.)

(9) Restriction on use of ports in the Federal Republic of Germany. (No action taken.)

(10) Full-scale counter-blockade plan to be brought into effect under the occupation forces. Strengthening East-West border controls in West Germany cannot be adequately enforced before Council approval of implementing regulations under MG law 53 (revised) authorizing German authorities to prosecute violations of law 53 (revised). Such regulations are now under consideration by Law Committee.

Berlin Commandants are hampered by absence in Berlin of legislation similar to MG law 53 (revised). Promulgation of appropriate legislation expected shortly.

2. The total strength at present of the German Border Control Service, at the border along the Soviet zone, is:

(A) Along the British zone–Soviet border 3,700—proposed strength 5,000.

(B) Along the US zone–Soviet border 1,700—proposed strength 2,000.

3. In summary, some progress has been made since April in the improvement of the existing machinery for retaliatory measures. Additional personnel are being recruited and trained continuously. The legal basis for full control is not yet completely formalized, but will be shortly. The plan for retaliation has been prepared in general outline, but the details, which must be known before imposing the program, have not yet been worked out. Further action in preparing a step-by-step program of retaliation would be desirable. Meantime, difficulties continue to be encountered in enforcing the limited control program now in effect. These difficulties arise from the basic reluctance of the West Germans to separate themselves psychologically or economically from Eastern Germany. The idea of a united Germany is potent medicine, and in absence extraordinary circumstances, any measures which appear to split Germany wider are bound to encounter reluctant acceptance if not covert sabotage. Although officially the government has given the appearance of cooperation in the control program, we would make a serious mistake by failing to recognize the depths of feeling on the question of unity and by underestimating the probable resistance to any really effective control over inter-zonal trade.

EuCom and HICOG have jointly worked out plan for regulating, curtailing or terminating traffic crossing US zonal border in phased operation. Plan also provides for full military control over border and German border officials if necessary. British and French have been notified of US plan and requested to prepare similar plans for their borders.

US counter-blockade plan over and above present planning for retaliatory measures being introduced for consideration of Berlin Joint Committee to obtain tripartite agreement.

McCloy

962.50/7-2850 : Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfort

TOP SECRET Washington, July 28, 1950—1 p. m.

712. Eyes only for McCloy from Byroade. As you are aware there is on record in NSC files decisions taken last year on possible courses of US action in event of a reimposition of blockade on Berlin. One of these conclusions was that there wld be an immed reimposition of an airlift for supply of Berlin. JCS now has under study capabilities of US, primarily in terms of air transport, to carry out this decision in view of commitments on resources elsewhere. While this review is barely underway it is already apparent that it wld be impossible to stage an airlift of the same magnitude used during the prior blockade.

We are aware from your reports that emergency stockpile of food and coal in Berlin is substantial. Nevertheless it seems desirable that you review stockpile situation to determine whether in light above conditions it wld be wise to gradually and without publicity raise stock level of non-perishable items. Wld appreciate your thinking this subj. We will, of course, keep you informed of capability estimates and will undoubtedly request your views on any recommended course of action arising out of present study. [Byroade.]

Acheson

PPS Files : Lot 64 D 563 : Germany

Paper Prepared by the United States High Commissioner for Germany (McCloy), the Commander in Chief, Europe (Handy), and the United States Commander, Berlin (Taylor) [1]

TOP SECRET [Frankfort,] August 29, 1950.

A Review of the Berlin Situation

I. STATEMENT OF THE PROBLEM

1. To review the ability of the Western Allies to maintain their position in Berlin during the next six to twelve months despite renewed

[1] Copies of this paper were transmitted to Washington in time for the September Foreign Ministers meeting. The source text subsequently was incor-

Footnote continued on following page.

Soviet efforts to drive them out by utilizing military forces under the control of East German governmental agencies.

II. ASSUMPTIONS

1. That it is a major Soviet objective to eliminate the Allied beachhead in the heart of the Soviet Zone and to make Berlin the undivided capital of a Communist Germany.

2. That the Soviets do not desire World War III now nor within the period covered in this paper (six to twelve months).

3. That the Allies will remain in Berlin even at the risk of war.

4. That the Soviets will ostensibly turn over control of Soviet Zone Germany to the DDR after the October elections.

5. That the Soviets in attempting to achieve their objections will use East Germans but will not permit Soviet forces to come into contact with Allied forces.

6. That the East German paramilitary force now contains not over 55,000 East Germans; that its effectiveness can improve rapidly, reaching an approximate strength of 150,000 by 1 May 1951 with the capability of coordinated ground action utilizing units of regimental combat team strength.

III. DISCUSSION

1. Major Fields of Soviet Offensive:

a. The Soviet offensive against Berlin has never ceased since 1945; it merely waxes and wanes in intensity. For the moment, the pressure is low, but there are many reasons to believe that the campaign will soon resume with renewed vigor in one or more of the following fields:

(1) Economic warfare
(2) Psychological warfare
(3) Subversive penetration
(4) Increased pressure of political activity
(5) *Coup de grâce* by East German paramilitary forces

2. Recent Developments Bearing Upon the Security of Berlin:

a. Recent developments have shaken the feeling of security in Berlin. The principal events which are responsible for this view are:

(1) Creation of DDR (The Deutsche Demokratische Republik): A first and most far-reaching event was the creation of this facade behind which the Soviets can henceforth operate.

Footnote continued from preceding page.

porated in NSC 89, "A Report to the National Security Council on United States Policy With Respect to Berlin and East Germany", which was prepared by H. Freeman Matthews, Deputy Under Secretary of State, and George C. Marshall, Secretary of Defense, and dated October 20. Also included as parts of NSC 89 were a memorandum by James S. Lay, Jr., Executive Secretary of the National Security Council, which stated that the report was being circulated for the information of the NSC in connection with paragraph 42 of NSC 73/4 (vol. I, p. 375); a table of contents; a memorandum of transmission, dated October 19, from Matthews; and a copy of the Foreign Ministers agreement on Berlin Security (Document 27 (Revised), vol. III, p. 1283); none printed here. The remaining part of NSC 89, a memorandum from Marshall, dated October 18, giving the JCS comments on "A Review of the Berlin Situation", is printed, p. 893.

(2) The organization of the *Volkspolizei Bereitschaften*: This agency provided the force in being for Soviet seizure of Berlin without involvement of the USSR or its forces.

(3) The outbreak of hostilities in Korea: This event points up the pattern which the Soviets may follow with respect to Berlin.

(4) Redeployment of cargo aircraft to the Far East: A direct result of the Korean fighting has been to limit the availability of cargo aircraft necessary to implement a new airlift for Berlin.

(5) The Communist Congress in Berlin: The tone of this meeting was reflected in the frequency of a threat to use the DDR and the SED (Socialist Unity Party) to challenge the Allied Occupation.

3. Lines of Actions which the Soviets May Pursue Against Berlin:

a. The capabilities listed below represent a series of actions of mounting intensity which may be taken separately or in combination by the Soviet puppets:

(1) *Capability No. 1:*

Ostensibly to return sovereignty to DDR following October elections, initially permiting DDR to assert authority over all transport facilities, and ultimately to make a timely declaration that Western Allies are illegally in Germany.

(2) *Capability No. 2:*

To extend Capability 1 by gradual imposition of documentation requirements by DDR agencies at all Allied and/or German trade control points, thereby effecting a partial blockade of the Western Sector of Berlin.

(3) *Capability No. 3:*

To have DDR paramilitary forces seal off the city at a propitious time and close the air corridor, thereby placing the blockade in full effect.

(4) *Capability No. 4:*

To deploy the DDR paramilitary forces around Berlin in force, issue an ultimatum demanding withdrawal of Allies, reinforcing the bluff with Communist-inspired riots in West Berlin.

(5) *Capability No. 5:*

To have the DDR paramilitary forces, possibly with camouflaged Soviet elements assisting, attack with mission of seizing Berlin and evicting Western Allies should intimidation fail.

4. Courses of Action to Counter Soviet Capabilities:

a. Evaluation of Soviet capabilities presents three broad courses of counteraction open to the Allies. These are:

(1) To engage their attention on other affairs through encouraging dis-affection in the satellite nations and other areas, . . . and specifically in East Germany, for the purposes of convincing the Soviets that the bases of their present strength, and that of the East German Communists, are insecure and that it would be premature to execute their master plan vis-à-vis Berlin.

(2) To convince the Soviet leaders that it is impossible to localize any action they begin against Berlin and that such action may lead directly to World War III.

(3) To create sufficient Allied strength to produce doubt in the Soviet leaders' minds that they could achieve success in Berlin even though World War III should not come as a result of their acts.

b. The first two of these broad courses of action are primarily political in nature and require consideration on the highest governmental levels. Some of the implications are indicated in Annex A. The third course of action is military and depends upon the creation and maintenance of a balance of military power. In the further development of Allied military capabilities essential to counter possible Soviet-inspired actions, the over-all military requirements are established regardless of present availability. For simplicity, Allied courses of action best suited to counter specific Soviet capabilities are shown below:

(1) *Capability No. 1:*

Although this first step is not military in nature, the Allies should begin by taking all action within their power to discredit the DDR as the voice of the popular German will. Such measures should include strong unequivocal statements that the authority of the DDR is not recognized by the Allies and that any actions which interfere with the rights or the exercise of the legal functions of the Allied Occupation Powers vis-à-vis West Berlin will not be tolerated.

(2) *Capability No. 2:*

The next step is to resist attempts by the DDR and its agencies to interfere with Berlin communications. The Allies should be ready in concert to react immediately and decisively to the first restrictive measures which the DDR places on these communications. This reaction should be expressed in strong language backed by forces in being strong enough to break a blockade. Thus the very existence of such a force would be a deterrent to DDR action. Other measures which would deter Soviet puppet agencies from restricting the Berlin communications are:

(*a*) The city can be stocked in advance with food and fuel to assure holding out for at least one year with little more than token assistance from the outside. Annex B.

(*b*) Military forces and supplies needed for an all-out defense of West Berlin against the *Volkspolizei Bereitschaften* can be moved in now, at a time of relative freedom from tension. The size and composition of the force required to defend Berlin has been developed under Capability No. 4 below.

(3) *Capability No. 3:*

Under the assumption that the DDR has successfully blockaded the city, the Allies may take one of the following measures which tend to frustrate the blockade:

(*a*) Ground action to include driving a salient from the west into Berlin and providing protection for rail and motor con-

voys. Forces required for this operation are a minimum of three Allied divisions with supporting troops. See Annex C.

(*b*) An airlift with fighter escort. Requirements for a lift of approximately 50,000 tons per month with limited fighter escort will be on the order of one heavy transport group and one fighter group in addition to that now available to the Allies. See Annex E.

(4) *Capability Nos. 4 and 5:*

A final Allied capability is to resist militarily the forces of the DDR (*Volkspolizei Bereitschaften*) if the latter attempt to take over West Berlin by force. To do so with hope of eventual success requires the maintenance in Berlin of sufficient forces in being to prevent a sudden *putsch* and to assure successful resistance for the time necessary to bring in reinforcements from West Germany. Allied garrisons supported by West Berlin paramilitary units properly equipped could, however, deter the Bereitschaften from attack and make the city militarily tenable for the next six to twelve months. The immediate requirements for the US Berlin garrison is one regiment of infantry, one battalion of military police, the necessary supporting administrative troops, and a force of as many thousand West Germans as can be organized, equipped and trained in paramilitary and home-guard units. It is highly desirable that the French and British provide similar contingents. See Annex D.

c. If the DDR interfere with Berlin ground communications, it may be desirable to test their intentions through a reconnaissance in force. However, it is obvious that the Allies should not attempt to break a blockade or to raise the siege unless they are fully prepared to take whatever actions are necessary to win. For a discussion of requirements for such operations see Annex C.

5. Availability of Forces:

a. Within Berlin the Allies maintain garrisons of approximately 10,000; there are some 11,000 West Berlin police. At present the DDR paramilitary forces have the capability of possibly overwhelming this Allied garrison and certainly of bottling it up in a small area. In six months these forces will have the capability of overwhelming the Allied garrison at will.

b. Allied forces immediately available to support the West Berlin garrison are committed by other operational plans in the event of a general emergency. An estimate of such forces is contained in Annex D.

c. There are no West German forces of any nature now available.

d. The position of the United States Commander, Berlin is now militarily untenable.

6. The Solution to Maintaining the Allied Position in Berlin:

Despite the weakness of the Allied military position brought out in paragraph 5 preceding, it is possible to compensate therefor by supplementing military with political and economic measures. By integrated military, political and economic action, it is within the range

of Allied capabilities to maintain their position in Berlin. Such a program would contain five steps:

a. The Allies should make the Soviets understand that an armed aggression from any source against Berlin means war.

b. The Allies should make it apparent to the Soviet leaders that Berlin is stocked to face a long blockade.

c. Along the same line, the Allies should make it clear to the Soviet leaders that the former are able and willing to impose a counter-blockade which will be damaging to the Soviet and East German economy.

d. The Allies should maintain a tough, well-equipped garrison in Berlin, which will make any direct attack costly to the aggressors and destructive to the city which they wish to use as a Communist capital.

e. The Allies should develop a West Berlin military organization capable of supporting and extending the effectiveness of the Allied garrison.

IV. CONCLUSIONS

1. That it is vital to the interests of the United States that the Allied position in Berlin be maintained. (See Annex A.)

2. That probably the East German paramilitary forces can overwhelm West Berlin now and can certainly do so in six months, unless the Allies take effective measures to prevent this action.

3. That the Allies must be prepared to react vigorously to initial DDR moves aimed at restricting Berlin communications.

4. That Berlin should be stocked with supplies adequate to enable the city to withstand a year's blockade.

5. That in the event of blockade or siege, Berlin might be supported by a very limited airlift with present means for a short time.

6. That an airlift supporting Berlin can easily be disrupted and its effectiveness would be questionable.

7. That in the event Berlin is blockaded or besieged under present conditions it would be unwise on the part of the Allies to commit any substantial force to an overland expedition to relieve the city.

8. That Allied reinforcements to the West Berlin garrison are desirable at this time.

9. That certain stop-gap measures such as arming the West Berlin police, increasing their strength, increasing the West German police forces, establishing a Berlin police reserve, and increasing the number of labor service units in the city, may provide a deterrent to blockade or siege of Berlin and will reduce the requirements for Allied reinforcements to Berlin garrison.

10. That in view of the foregoing, the position of the US Commander, Berlin is at present militarily untenable, but it is within the military capabilities of the US and of the Allies to strengthen his position to the point of being able to make a resistance which will deter a *Bereitschaften* aggression.

11. That the Bonn Government should ultimately become responsible for the security of Western Berlin, and to carry out this responsibility, the rearmament of West Germany must be started at once; that this rearmament should result in the development of integrated combat forces capable of sustained operations.

V. RECOMMENDATIONS

1. That immediate steps be taken to intensify psychological warfare vis-à-vis the Soviets and East German Communists, and to step-up Allied propaganda campaigns directed at East Germany for the purposes of undermining the present sources of Soviet and DDR strength, of creating doubt as to the reliability of East Germans who may be required to execute Soviet designs on Berlin, of discrediting Soviet-DDR political moves, and of disrupting the Soviet-DDR timetable vis-à-vis West Berlin and West Germany. Similar efforts by the West Germans should be promoted by the Allies. The immediate targets should be the October 15 elections in the Soviet Zone, the *Volkspolizei Bereitschaften*, the SED–National Front campaign for German unification, and any Soviet efforts to grant "sovereignty" to the DDR.

. . . . . .

3. That the US Commander, Berlin, resurvey (in conjunction with his Allied opposites where applicable) the military requirements for the successful defense of West Berlin against the *Bereitschaften* (including the expansion of US Labor Service Units, the reenforcement and re-equipment of the West Berlin police, and the recruitment and paramilitary training of West Berlin police reserves). Such study should include recommendations on the military mission of the US Berlin garrison.

4. That steps should then be instituted to reenforce the US Berlin garrison to the required strength, to initiate parallel action on the part of the U.K. and France, and to direct the Berlin commandants to reenforce and re-equip the West Berlin police and develop a police reserve capable of military action. The measures taken should be adequate to create a balanced Allied-West Berlin force which would possess capabilities in manpower and equipment necessary to offset action by the Bereitschaften.

5. That the US High Commissioner and the Commander-in-Chief jointly produce an estimate of the most likely means the DDR may use to restrict Berlin communications.

6. That the US High Commissioner should seek approval of the Allied High Commission, in the light of the foregoing estimate, to develop a tripartite program to resist DDR interference with, or control of communications between the Federal Republic and West Berlin,

including agreement on the progressive application of countermeasures and sanctions. Such plan should include customs controls capable of executing agreed interzonal sanctions and should include the UK capability of closing the border between the British and Soviet Zones in the manner now contemplated by the US Occupation Forces under Operation Concourse for the US-Soviet Zone border.[2] Once this program has been developed action should be taken to convince the Soviets and East Germans that the Allies have the capability and the willingness to adopt counter-measures of progressive intensity to counter DDR interference with access to Berlin.

7. That the US High Commissioner should seek approval of the Allied High Commission to increase the West Berlin reserves of food to a level of one year's maintenance, it being understood that the Commission has previously approved an increase of reserves of fuel to this level. In order to do so, funds must be found other than those now at the disposal of the US High Commissioner.

8. That the US High Commissioner should seek approval of the Allied High Commission for further early increases in the Federal Republic and/or *Laender* police forces (including increased capabilities to reenforce the West Berlin police) and for maintaining pressure on the Federal Republic and West German *Laender* governments to support West Berlin to the full extent of their resources.

9. That the Foreign Ministers, at their September meeting, issue the strongest possible statement on Berlin and one which will demonstrate the unequivocal intention of the Allies, even at the risk of war, to maintain their position in Berlin and their rights of access to and from Berlin regardless of restrictions imposed either by the DDR or by the Soviets.

. . . . . .

11. That the United States proceed as rapidly as possible to encourage the development of a European defense force into which the manpower and industrial reserves of West Germany will be integrated.

12. That the United States take steps designed to invoke the services of the UN, through appropriate procedural machinery, for the purposes of mobilizing non-Communist world opinion against Soviet designs on Berlin and of laying a basis for immediate concerted UN action to meet any threat to the peace created by illegal Soviet or DDR actions.

13. That the US High Commissioner and the Commander-in-Chief forward this paper to the Department of State, and to the US Joint Chiefs of Staff, respectively, as a joint position paper.

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[2] The operation under reference here has not been identified further.

VI. COORDINATION

The US High Commissioner; the Commander-in-Chief, Europe; and the US Commander, Berlin, have jointly prepared this review and concur in it.

Annex "A"

POLITICAL CONSIDERATIONS

1. The governing politico-military factors in respect of Berlin appear to be these:

In respect of the Soviets—

a) It is clearly a major Soviet objective to eliminate the Allied island of West Berlin, to convert Berlin into an undivided capital of a Communist Germany, and thus to consolidate Soviet Germany as a shield and a sword for use against West Germany.

b) Under the Soviet timetable, it is highly advantageous, if not necessary, that such be done as promptly as possible and before such date as the Soviets may be able and ready to provoke World War III.

c) To gain their objectives—West Berlin and West Germany—the Soviets will go very close to provoking World War III and may commit the *Bereitschaften* against Allied troops in Berlin (if it is calculated that such an engagement could be localized), since the Soviets must try at nearly any cost to deny the Allies their objectives of maintaining West Berlin while integrating the military potential of West Germany with that of Western Europe.

d) The Soviets will no doubt seek to dislodge the Allies from Berlin by attrition, including a full-scale blockade enforced by the Germans, before committing the *Bereitschaften* to any major attack on the Allied positions in Berlin.

e) Hence, it may be assumed that Soviet efforts of obtaining control of West Berlin, or to make the Allied position therein so untenable as to dictate an Allied withdrawal short of World War III, will involve the employment of East Germans, and particularly the *Volkspolizei Bereitschaften*, in lieu of Soviet manpower. This assumption is based on the belief that the employment of Soviet troops against the Allied positions in Berlin would provoke World War III, that the Soviets are reasonably aware of such eventuality, and that the DDR will seek to secure the Soviet control of the whole of Berlin before either the Soviets or the *Bereitschaften* move against West Germany and thereby run the almost certain risk of provoking World War III.

In respect of the Allies—

f) It is Allied policy to remain in Berlin even at the risk of war. Only such a decision will permit the Allies to exploit the numerous political and ideological advantages deriving from holding an advanced post in Soviet Europe, to keep faith with the two million Berliners who have linked their fate with the West, and to maintain the maximum psychological support from the West Germans during the critical period required to redress the present imbalance of conventional military strength between Soviet Europe and Free Europe.

The alternatives—the withdrawal from or loss of Berlin in any action short of World War III (in which Soviet troops would be employed)—would contribute to such a psychological undermining of Allied prestige in West Germany as very probably to undermine the program of integrating West German manpower and industrial capacity in a West European rearmament system capable of discouraging the Soviets from further European aggression.

g) The maintenance of the Allied position in Berlin for the next six to twelve months must be based on three paramount components: (1) maintenance of rights of access to and from the city, (2) a sufficient balance of military strength to discourage the *Bereitschaften* from ventures, and (3) a psychological campaign intended to convince the Soviets that our position is stronger than it may be in fact and to shake their faith in the reliability of East Germans whom they may wish to commit to the attainment of Soviet purposes vis-à-vis West Berlin.

2. The Soviet offensive against Berlin has never ceased since 1945; it merely waxes and wanes in intensity. For the moment, the pressure is low, but there are many reasons to believe that the campaign will soon resume with renewed vigor. This campaign will almost certainly be based on the use of the agencies of the DDR, and East German manpower, with the Soviets keeping in the background. These agencies will gradually increase the pressure while military or paramilitary forces are made ready to administer the *coup de grace* in case relatively peaceful methods are unavailing. This paper revises the recent changes in the Berlin situation and enumerates actions which should be taken to frustrate Soviet designs on Berlin.

3. The most significant change in the Berlin situation has been the growing capability of the DDR to attempt a coup in the Korean pattern. Heretofore, it has been felt that the Soviets would not risk war over Berlin and that "war over Berlin" connoted the use of Soviet troops against Allied troops. It was expected that the Kremlin would apply a variety of political and economic pressures to undermine the morale of the West Berliners and the security of the Allied position in Berlin. By such means, it would hope eventually to maneuver a deal at the conference table which would gain its objectives in Berlin without fighting. Even a second blockade was believed unlikely because the Soviets allegedly would not repeat a gambit which had once failed. Influenced by the foregoing reasoning, the Allies have been satisfied with maintaining military forces in Berlin capable of doing little more than putting down civil distubrances in conjunction with the German police. Their inability to resist an armed enemy was not considered of decisive importance since the only enemy was considered to be the Red Army, and the Red Army could not be resisted successfully by any garrison which the Allies could place in Berlin.

4. Recent developments have shaken this attitude in respect of the security of Berlin and have contributed to the knowledge that, regardless of the validity of the former reasoning, a new threat has arisen through the increased capabilities of the DDR. The following paragraphs chronicle events responsible for this change of viewpoint.

5. The first and most far-reaching event was the creation last October of a German facade behind which the Soviets can henceforth operate—the Deutsche Demokratische Republik (DDR). This action gives the Soviets a cat's paw which can be used either against the West Berliners or against the Western Allies. It is probable that if such measures as a renewed blockade were adopted, the agent would be the DDR pretending to act by virtue of sovereign rights restored to it by the Soviets. The latter would be in the position to disavow responsibility for the consequences of East German actions against Berlin and thus avoid commitment of Soviet forces, which in all likelihood is still their goal.

6. A second and related development is the organization of the *Volkspolizei Bereitschaften.* This force provides the claws for the East German cat's paw. We now know the present size and composition of this force and recognize that it is a military organization which, unless challenged by increased Allied military and German paramilitary strength in West Berlin, could soon be capable of dominating East Germany for the Soviets. Although units undergoing training have thus far been of battalion size, larger units will probably be formed of greater military capability in the coming year. It may also be assumed that by the end of another six months, the *Volkspolizei Bereitschaften* will be strong enough to overpower the present Allied garrison of West Berlin unless the latter is reinforced and unless German paramilitary police reserves are trained and armed in West Berlin.

7. A third factor which affects the Berlin situation is the outbreak of hostilities in Korea. This event reveals a pattern which the Soviets may follow with respect to Berlin. It may be argued that, in contrast to Korea, there are Allied troops in Berlin whose presence will deter an overt attack. However, counterbalancing this advantage is the difficulty of reinforcing Berlin through or over the Red Army, in contrast to the situation in Korea, where access to the battle area is unimpeded. This latter consideration introduces one of the essential imponderables in the present Berlin situation: If it is assumed that the Soviets will not risk provoking World War III over Berlin before such time as they are ready to provoke a world war, will they commit the *Volkspolizei Bereitschaften* against the Allied garrisons if they believe the resultant hostilities could be localized? It is believed that the Soviets would probably commit the *Bereitschaften* against West Berlin if (1) their estimate is that the ensuing hostilities can be localized and (2) the speedy success of the *Bereitschaften* seemed assured. Hence, it is a

thesis of this paper that the Allied positions in Berlin will be maintained only if (1) Allied military and German paramilitary strength sufficient to discourage the *Bereitschaften* from attack is kept in West Berlin until the military imbalance between Soviet Europe and Free Europe is redressed and (2) the Soviets are led to believe that any assault by the *Bereitschaften* on Berlin might result in a world war in advance of the Soviet timetable.

8. The capability of a full-scale airlift for Berlin has been reduced materially as a result of the Korean war. Not only have air units previously earmarked for the airlift been redeployed to the Far East, but devices which the Soviets and/or East Germans are capable of bringing to bear are more likely to be used to reduce the effectiveness of any renewed airlift. For these reasons and because of increased tension with attendant risk to the transportation as involved, the Allied military leaders will be loathe to expose to destruction, or commit to ineffective operations, all or part of their strategic transport forces. Hence, the decision to attempt to support a blockaded Berlin again with an airlift will be a much more serious one than in 1948.

9. A final factor bearing upon the Berlin situation is the tone of the recent Communist Congress in Berlin.[3] There, the threat to employ the DDR to challenge the Allied occupation was apparent and unequivocal. Communists were exhorted to civil disobedience and to prepare themselves for the day when Germany was reunited on Communist (Soviet) terms. The temper of the decisions taken suggests that the Communists' schedule against Berlin may move faster and more aggressively than we have estimated in the past.

10. It is possible that the DDR may ostensibly be granted "full sovereignty" by the USSR in October and that thereafter Soviet forces may either be withdrawn from the Soviet occupation zone in Germany or that they will, more probably, be concentrated in a few strategic localities in East Germany. In any event, it is likely that the DDR will assert authority to speak and act for the whole of the German people following its "legitimation" in the October elections. As a corollary, the DDR would adopt the position enunciated by the SED Congress in July that the Western occupation authorities remain in Germany without benefit of legal status. Although the Allies would immediately reject all claims of this nature, they would be faced with the practical problem of whether to deal directly with representatives of the DDR on such administrative matters as documentation for goods and persons moving to and from Berlin.

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[3] For information on the Third SED Party Congress, July 20–24, in Berlin, see telegram 921, August 2, p. 964.

11. It follows that such an "autonomous" East German government could initiate actions restricting Allied use of the lines of communications to Berlin. Initially, such restrictions might not be placed on transportation facilities directly controlled by the Allied authorities but normal German commerce between the Western Zones and Berlin could be strangled. If the DDR meets with initial success, it can be expected to continue applying pressure, unless stopped, until the Allies have been driven from Berlin, if necessary by the application of military force.

12.*a.* If the foregoing sequence of events appears plausible, it is essential that the Allies develop a program to accomplish the following objectives:

(1) Induce the Soviet leaders to cancel their program.
(2) Neutralize the Soviet program, if implemented.

b. The Soviet leaders may call off the campaign under any effective combination of the following conditions:

(1) They become persuaded that the time is not yet ripe, that the DDR and the *Volkspolizei Bereitschaften* are not ready to play their appointed roles in the conquest of Berlin. The Soviet timetable in East Germany and the firming-up of a Soviet estimate of the reliability of the East Germans may be retarded by Allied actions of these types: The establishing, at appropriate intervals and for specific strategic purposes, of effective economic blockades of the Soviet Zone (which must include the Czechoslovak frontiers with West Germany); the subverting of the *Bereitschaften* to the maximum capabilities of the Allies and West Germans; . . . the creating of disaffection among crucial segments of the population and the discrediting of Soviet/DDR political and propagandistic moves, including those directed at West Germany. As a result, the Soviets and East German Communists might feel their bases of strength in East Germany, aside from the Red Army, were insecure and hence be reluctant to act.

(2) The Soviet leaders are made to realize that the campaign for Berlin is so hazardous that they risk a world war if they or the *Bereitschaften* attack West Berlin. An integral component of the Allied position on this matter should be to leave doubt in the Soviet mind of whether any attack by the *Bereitschaften* could be localized. An announced decision on the part of the Allies to maintain their position in Berlin and their rights of access against action by either the Soviets or the DDR, even at the risk of war, would thus be an extremely important factor in the protection of West Berlin. Similarly, action by the Federal Republic which would indicate its support of Berlin to the full extent of its resources would be an important contribution.

(3) The Soviets become disadvantageously embroiled elsewhere in the world. Such would obviously ameliorate the situation in Berlin. It is felt, however, that more immediate results in this respect will be obtained by exploiting Soviet weaknesses in East Germany than by developing diversions elsewhere in the world in the hope of distracting Soviet attention from Berlin.

(4) The Soviets become convinced that Allied military and West Berlin paramilitary forces in West Berlin are capable of successful resistance to attack by the *Bereitschaften*. The Allied position in maintaining West Berlin for the next six to twelve months at least should proceed on the assumption that West Berlin need not be militarily untenable against the *Bereitschaften* and that our position in Berlin should be materially strengthened by additional Allied units and by training Germans to assist the Allied garrisons in defending the city.

c. The Soviet program could be neutralized by the following measures:

(1) The Allies must be prepared to take immediate concerted action, in accordance with a previously agreed program, in response to any positive indication that the DDR is restricting communications between West Berlin and the Federal Republic. Such action must be decisive in nature and designed to make the Soviets and DDR authorities hesitant to proceed further with their program.

(2) If and when the USSR restores "sovereignty" to the DDR, the Allies must announce that their rights and position in Berlin remain unaffected and reiterate their unequivocal intention to remain in Berlin.

(3) Defeat of any *Bereitschaften* units committed to hostilities. Parity of equipment with the *Bereitschaften* should, therefore, be maintained and provision should be made to stock weapons which the West Berliners might use to defend their city in case of necessity.

(4) Invoke the services of the UN through appropriate procedural machinery for the purposes of mobilizing world opinion against Soviet designs on Berlin and of laying a basis for immediate concerted UN action.

Annex "B"

Logistics Situation, Berlin

1. *Civilian*

a.

(1) Type of supply	(2) On hand (metric tons)	(3) Added reqmt. for 1-yr supply	(4) Total objective	(5) Cost
Foodstuffs	145, 550	130, 650	276, 200	DM 58, 580, 000
Coal	592, 000	344, 000	936, 000	DM 18, 000, 000
Medicine	Unknown	416	416	DM 6, 000, 000
Total—	737, 550	475, 066	1, 212, 616	DM 82, 580, 000

b. Approximately 3½ months would be required to transport the tonnage shown in column (3) above into Berlin, dependent on:

(1) Availability of required supply in West Germany.
(2) Availability of necessary rail and truck transport.
(3) Non-interference with movement of supplies by either Soviet or DDR.

2. *Military*

a. The following is the present military stockage position in Berlin based on existing U.S. troops. Similar information for Allied troops is not available.

Class of supply	*Months of supply on hand*
Medical	4
Ordnance—Class II & IV	4½
Class V (Training)	6
Class V (Combat)	Two basic loads
Engineer—Class II & IV	3
Solid Fuels	7
Signal	1½
Quartermaster—Class I	4
Class II & IV	4
Class III	6
Post Exchange	4

b. It is estimated that an additional 70,000 tons of all classes of supply would be required to maintain present US troop strength for one (1) year in Berlin. This does not include supplies that might be required for maintenance or extension of air fields.

3. *Military Facilities and Services*

a. Billets:

(1) Approximately 1,000 additional German labor service personnel can be placed in permanent billets in Berlin immediately. Any number in excess of 1,000 would require a detailed survey and rehabilitation of facilities.

(2) Approximately 2,000 US reinforcements could be housed in permanent billets now, and a maximum of 6,000 in permanent billets within one (1) year.

(3) An unlimited number of troops could be accommodated on a temporary basis.

b. Services: Any major expansion of the Berlin garrison, either by labor service units or US troops, will require a proportionate increase in service support units of Berlin Military Post.

4. *Storage Facilities*

In the West Sectors of Berlin there are adequate storage facilities to hold civilian stocks equal to one year's maintenance under rationing conditions and military stocks estimated required by the garrison in one month of combat.

Annex "C"

Maintenance of Overland Communications With Berlin

I. PURPOSE

1. To study possible Allied military lines of action in the event the DDR agencies blockade or besiege Berlin.

II. ASSUMPTIONS

2. *a.* That the Soviets do not desire war now nor prior to 1 May 1952.

b. That it is a major Soviet objective to eliminate the Allied beachhead in the heart of the Soviet Zone and to make Berlin the undivided capital of a Communist Germany.

c. That the Allies will remain in Berlin even at the risk of war.

d. That the Soviets will ostensibly turn over control of Soviet Zone, Germany, after the October elections.

e. That the Soviets in attempting to achieve their objectives will use East Germans, but will not permit Soviet forces to come into contact with Allied forces.

f. That the East German paramilitary force now contains not over 55,000 East Germans; that its effectiveness can improve rapidly, reaching an approximate strength of 150,000 by 1 May 1951 with the capacity of coordinated ground action utilizing units of regimental combat team strength.

g. That the Allies will attempt to break a Soviet-inspired blockade of Berlin by re-establishing overland lines of communications to Berlin from the Western Zones of Germany.

III. DISCUSSION

3. In the event DDR agencies blockade Berlin and the Allies decide to re-open their lines of communications, the most logical pattern of operation would be somewhat as follows:

a. The Allies would first probe along the Autobahn from Helmstedt to Berlin by a reconnaissance in force. If this reconnaissance succeeds, trucking operations will continue until stopped, when this probing phase will be repeated.

b. On the other hand, if the reconnaissance is stopped, the Allies face two alternatives:

(1) They may either set out to defeat the DDR paramilitary forces in the field, or

(2) They may force and maintain a corridor.

4. In considering these two lines of action shown in subparagraphs *a* and *b* preceding, the Allies are faced with certain difficult decisions. In the first place, a handful of Bereitschaften (who may or may not be supported by hidden or nearby powerful forces) may attempt to stop the convoy. Will the convoy commander stop and turn around with the inevitable loss of face to the Allies, or will he continue on, possibly to start World War III?

5. It is doubtful if the DDR would decide to blockade Berlin unless they were reasonably certain that they could maintain it and, as a result, could force the Allies to withdraw from the city. This means the Allies should face the fact that the DDR may be fully prepared to use all paramilitary forces available to them if the need arises.

At present the strength of the DDR paramilitary force is slightly less than 55,000, organized into approximately 33 battalions with limited combat effectiveness. By 1 May 1951, it is estimated that this strength could increase to about 150,000, organized into about 150 battalions which in turn are organized and trained on a regimental combat team level. Although these RCT's would not be fully combat effective they would have considerable combat potential. (For additional details, see Annex "D".)

6. The Allies cannot embark upon large-scale operations for the opening of the land lines communications to Berlin without first making sure that they have sufficient forces to go through to the ultimate conclusions of such a task. Should the Allies make a first tentative effort such as reconnaissance in force and then be defeated without continuing operations on a larger scale, it is almost certain that their tremendous loss in prestige would lead almost at once to the fall of Berlin either through military action on the part of the DDR or through the fact that the West Berlin population would surrender its will to resist. Therefore, before beginning an operation to open up the land lines of communications to Berlin, the Allies should anticipate the need of putting forces in the field sufficient now to defeat 55,000 East German paramilitary forces and by the Spring of 1951 some 150,000 of the same.

7. In considering the probing phase of opening the land lines of communications, that is, the reconnaissance in force, it is not profitable at this time to give the definite figures as to the strengths of Allies forces required. However, in general this force should contain infantry, armor, engineers, artillery, a relatively small column of trucks bearing supplies, and should be supported at least by reconnaissance planes, preferably by tactical air force. Furthermore, the column should be a tripartite force. A possible basis for the strength of this column might be a regimental combat team supported by a battalion of engineers and a tank battalion escorting two heavy truck companies.

8. This task force should be able to operate in the face of a large number of measures which the DDR may employ either to stop it or to delay it. For instance, there are some 130 bridges on the Autobahn between Helmstedt and Berlin. Certain of these bridges could be blown, which would mean the task force must either go around or turn back. Likewise, should the DDR have timely warning they could plant mine fields at frequent intervals. Also, they could interdict the Autobahn at frequent intervals by small arms artillery fire. They could stage guerilla-type raids on various portions of the task force. And finally they could confront the task force with a defensive position so strong that it could not be penetrated or turned.

9. In the event that the task force succeeds in bringing the truck companies through, other truck companies should be ready to continue trucking operations between Helmstedt and Berlin, lightly guarded, until stopped by military force when probing operations will have to be repeated.

10. In the event that the reconnaissance in force is turned back, the Allies should be prepared to embark on either one of two operations:

a. They must either defeat the DDR paramilitary forces in the field, or

b. They must drive and maintain a corridor into Berlin.

In either case the forces required are about the same. Forces in order of 3 Allied divisions with necessary support troops would be required to defeat the 55,000 present DDR paramilitary troops; and in the event the latter increase to a maximum strength of 150,000, forces in the order of 5 Allied divisions with necessary support troops would be required. However, certain grave disadvantages to these two operations must be considered. First, it appears unlikely that the Allies can provide a minimum of 3 divisions for such a campaign; they cannot take such numbers from occupation duties without jeopardizing the occupation mission. A force of 3 divisions from troops available to the US, Great Britain and France for this mission is not foreseeable in the next twelve months. Likewise, the development of West German forces equal in combat efficiency to the 3 Allied Divisions does not appear likely in that period. Therefore, the question of obtaining the necessary troops to carry out such operations is a serious one. Moreover, even should the Allies obtain adequate forces for these large-scale operations, their employment has grave disadvantages. Thus a direct attack on DDR paramilitary forces by Allied troops in the Russian Occupied Zone appears foolhardy carried on in the face of some twenty Russian divisions; on the other hand, forcing and maintaining a corridor without first defeating DDR paramilitary forces would place Allied troops on the defensive, open to attack where and when the DDR choose.

Annex "D"

Considerations on the Reinforcement of the Allied Berlin Garrison

I. PURPOSE

1. To determine the composition and strength of forces required to defend the Western Sectors of Berlin against an attack by the *Bereitschaften* in the next twelve months.

II. ASSUMPTIONS

2. See basic paper.

III. SITUATION AND COURSES OF ACTION

3. *German Paramilitary Force Situation:* See basic paper.

4. *Allied Forces Situation:* See basic paper.

5. *Bereitschaften Courses of Action Involving Attack on Western Sectors of Berlin:*

a. The *Bereitschaften* at present have some 8,000 troops in the vicinity of Berlin, organized into 5 infantry, 3 artillery, and 1 tank battalion. All these troops can be concentrated within 24 hours for a surprise attack on the Western Sectors of Berlin any time within the next twelve months.

b. The *Bereitschaften* in 72 hours now can concentrate the major portion of their present strength, say 50,000 troops, for a formal attack against the Western Sectors of Berlin. It is estimated that by 1 May 1951 they can have the capability of concentrating 140,000 troops for such an attack.

c. The *Bereitschaften* may deliver a series of raids or limited objective attacks against the Western Sectors of Berlin, using relatively small forces, at any time in the next twelve months.

6. *Allied Courses of Action to Defend Against Bereitschaften Attacks:*

a. Although the best defense against the *Bereitschaften* attacks discussed above would be a perimeter defense of the Western Sectors of Berlin, the difficulty of such an undertaking, using the troops now available or available up to 1 May 1951, is apparent when one considers that the area of the Western Sectors totals 59 square miles, with a perimeter of some 103 miles. It does not appear reasonable that within its military capabilities the Allied garrison can defend the Western Sectors against such attacks, either now or in the next twelve months. Thus, it is estimated that a West Berlin garrison containing approximately 60% of the maximum strength of the attacker would require an additional 20 Allied battalions now and an additional 80 Allied battalions by 1 May 1951. Inasmuch as it is not known where these Allied forces could be obtained, other means of preventing the *Bereitschaften* from attacking the Western Sectors must be developed.

b. The most effective alternate means of preventing *Bereitschaften* attack would be the development, within the military capabilities of the Allies, of a tough, well-equipped and well-trained garrison which would make any aggression on the part of the *Bereitschaften* extremely costly.

c. In terms of US Forces, it is estimated that increasing the US garrison to the strength of one infantry regiment, plus one MP battalion, with the necessary administrative and support units, and supported by the maximum number of German Labor Service Units which can be organized in the next twelve months, would fulfill this requirement, provided the British and French took parallel action with respect to their Berlin garrisons.

500-421—80——57

Annex "E"

I. PURPOSE

a. To develop the requirements and capacity of a reestablished Berlin airlift.

II. ASSUMPTIONS

a. That the Soviets do not desire war with the Western nations until at least 1 May 1952.

b. That the Soviets or their puppets will attempt to drive the Allies from Berlin.

c. That in attempting to drive the Allies from Berlin, the Soviets will use East German forces.

d. That in the event a Berlin airlift is reinstituted, the Soviets will use every means available to interfere with it, short of actual war.

III. DISCUSSION

a. At the present time the US Air Force has one group of C–82 type transports in the US Zone, Germany. This medium transport group has the capability of delivering 12,000 tons per month to Berlin. The British now have the equivalent of one heavy transport group in the British Zone, Germany. If this group were brought to full strength it would have the capability of delivering approximately 18,000 tons per month to Berlin. The present status of this group is unknown but it is improbable that it is at full strength due to the RAF policy of rotating squadrons at frequent intervals. The French have an insignificant number of transport aircraft. Consequently, the total airlift that could be produced by utilising resources presently available in the Allied Zones of Germany would total about 30,000 tons per month.

b. Either a US or British heavy transport group has the capability of moving 18,000 tons per month from bases in the Allied Zones to Berlin. Thus, an additional heavy transport group would raise the total lift to 48,000 tons per month. The above figures are based upon utilization of aircraft at an average of 6 hours per day.

c. The mere addition of one heavy group would not permit delivery of 48,000 tons per month for an indefinite period since an important number of additional facilities and aircraft would be required to provide logistic support and replacements for aircraft undergoing maintenance checks, etc.

d. The decision to reinstitute another Berlin airlift would require extensive planning. Although plans exist which provide for the reestablishment of an airlift capable of delivering 200,000 tons per month to Berlin, it appears unlikely that sufficient aircraft would now be available for such employment due to their present concentration in the Pacific. Then, too, military leaders would be loath to commit a

major portion of the Allied strategic transport force to an area where they would be exposed to destruction in the event of war with the USSR.

e. Undoubtedly the Soviet puppet, DDR, would take all measures necessary to blockade a second Berlin airlift. Soviet reluctance to apply the degree of force necessary to prevent the last airlift from succeeding dealt a serious blow to Soviet prestige. It is likely that the USSR would make certain that the DDR has sufficient resources either to prevent the airlift from being effective or to stop it altogether before the latter would be permitted to take any action whatsoever against the airlift. These measures might consist of the following:

(1) All radios and radars connected with the airlift might be jammed and electric land lines through the Soviet Zone could be cut.

(2) The airlift could be curtailed or stopped through the alleged training activities, such as anti-aircraft fire in the corridor, air ground gunnery, air to air gunnery, barrage balloons, and the like.

(3) The subversive activities such as sabotage might cause a reduction of operations although such activities could be generally dealt with.

The institution of one or more of these measures could reduce the airlift to a Visual Flight Rules condition and thereby greatly curtail it or might even stop it completely. Consequently, it is reasonable to assume that a reinstituted Berlin airlift would not be effective for any length of time.

IV. STOCKING

Berlin now has sufficient civil stocks to enable the city to withstand a blockade of from 4 to 5 months (see Annex B). Tonnage required to raise this stock level from 5 months to one year is in the neighborhood of 475,066. Likewise, the monthly tonnage required to maintain Berlin without depleting her stocks would be approximately 200,000 tons. Therefore, an airlift of less than that capacity would result in a progressive depletion of stocks. It follows that under present conditions the Allies can look forward to a shortage of about 180,000 tons of supplies per month. In view of this situation, Allied authorities might agree to the re-establishment of a limited Berlin airlift. However, unless the world condition improves, it is doubtful if the Allies could commit their airlift resources to such a degree that Berlin could be maintained indefinitely, and should a full-scale airlift be re-established its effectiveness may be reduced by DDR action.

Editorial Note

At the meeting of the Foreign Ministers of the United States, the United Kingdom, and France at New York, September 12–18, the

problem of Berlin was considered along with the more general problem of Germany. In preparation for this meeting the Bureau of German Affairs drafted a paper (SFM D–5/2) which was revised by a working group on August 28 and cleared within the Department of State as SFM D–5/2*a* for use in the tripartite talks at Washington, preliminary to the meeting.

Following the preliminary talks SFM D–5/2*a* was in turn revised as SFM D–4/4 and submitted to the Foreign Ministers. SFM D–4/4 contained recommendations for safeguarding the Western position in Berlin, a draft agreement on Berlin security, and a draft communiqué on Berlin. For texts of the draft agreement on Berlin security and the draft communiqué on Berlin, see volume III, pages 1282 and 1283. For documentation on discussions by the Foreign Ministers, see *ibid.*, pages 1108 ff.

762A.00/9–2750 : Telegram

The United States Commander, Berlin (Taylor) to the Office of the United States High Commissioner for Germany, at Frankfort [1]

CONFIDENTIAL BERLIN, September 27, 1950—4 p. m.

537. Reourtels sent Frankfort 486 repeated Department 423 dated 20 September; sent Frankfort 508 repeated Department 444 dated 22 September; and sent Frankfort 522 repeated Department 460 repeated Paris for OSR 91 dated 26 September.[2]

In order to assess significance of current Berlin situation may be worthwhile summarize recent intensified Soviet zone and Soviet sector interference and antagonism.

1. Soviet sector power shut off September 20 and negotiations to date for re-establishment unsuccessful. Soviet representatives have indicated that in spite of west sectors offers to settle outstanding financial indebtedness due from west sectors for eastern power already received they are not in position to effect resumption of power deliveries from east. With new boiler in service, west sectors able through controls to provide their own needs but with increased consumption of coal. Berlin magistrat has recommended as countermeasure to Bonn that interzonal trade negotiations be broken off and that embargo be placed on shipments of steel from western Germany. This we now understand is under discussion in Bonn.

2. In retaliation for west sector arrest of 6 armed east zone police, the east Berlin police arrested 26 west Berlin policemen who lived in

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[1] The source text was sent as 474 to the Department of State.

[2] None printed; the first two telegrams reported on the power cut-off, while the last reported on interzonal trade. (862.2614/9–2050, 862A.2614/9–2250 and 962.15/9–2650)

east sector. West Berlin authorities in turn picked up 52 east Berlin policemen. In a separate incident, 2 US military police and an accompanying German policeman were seized on sector boundary in Lichtenrade and the soldiers were held in the east zone for 13 hours. However, all of above persons have now been released by both sides.

3. Soviets recently moved barricade across boundary between Soviet zone and British sector in Gatow. Soviet and British troops faced each other for 8 days while negotiations took place at "higher levels". The Soviets and east *Volkspolizei* have retired, and the British last night returned the barricade to its former position.

4. 8 barges are being held in Soviet zone for alleged crew list deficiencies and "illegal loading". In retaliation British are now holding 5 barges on Elbe, some of which are owned by Soviet joint stock companies and which carry Soviet occupational and reparations shipments. Western Allies in Berlin will also implement counter-measures on waterways shortly.

5. On 22 September, Soviet-controlled German police asserted that boundary between US sector of Kreuzberg and Soviet sector Mitte was located along building line on US side of street. They began to patrol the street and sidewalks accordingly, with result that people living in US sector had to step into Soviet sector on leaving their homes. This action may cause complications reference police and fire protection and mail delivery. The east magistrat may choose to justify their position by the fact that they have in the past repaired the sidewalks and streets in front of the houses in US sector. However, west Berlin police have until now patrolled sidewalks on US side. On 26 September, east Berlin police began patrolling the sidewalks on the US side of the street.

6. Soviets have refused to make available additional locomotives to bring to Berlin special trains to industrial fair opening 1 October. Have also stated they will not permit increase in bus traffic. Soviet motives for above appear to be prompted by their desire to disrupt participation in Berlin fair by creating an atmoshere of tension in Berlin; and second, to foster series of disturbances with west which will assist to unify eastern sector population against west for purposes of elections on 15 October.[3] Although Russian harassment should be met with firmness, feel this is no time for spectacular action possibly prejudicial to impending fair. We are not particularly alarmed over these recent Soviet actions, believing them symptomatic of election period. However, they are creating tension within city.

Sent Frankfort 537 repeated info Department 474.

TAYLOR

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[3] For documentation relating to the elections in the Soviet Zone of Germany on October 15, see pp. 942 ff.

762A.0221/10–250 : Telegram

The Acting Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfort [1]

SECRET WASHINGTON, October 2, 1950—5 p. m.

2501. Fol are Dept's comments for your info and guidance in HICOM negots on application to Berlin certain new arrangements for Germany decided on by Fon Mins:

I. *Statement of Principles.*[2] Dept has reviewed Statement of Principles in light fol considerations:

1. Present Statement reflects "exceptional circumstances" of Berlin blockade during which it was drafted.

2. Certain these "exceptional circumstances" still exist, such as exposed geographical position Berlin and continuing determination Sovs weaken and eventually destroy Allied position there. Other circumstances in part balancing these are genuine democracy Berlin govt and people, their unceasing will resist Sov pressure, and good spirit cooperation between Allied and Ger auths there. Under criteria laid down in London Fon Mins communiqué May 1950, Berliners are thus entitled appreciable reduction of occupation controls, wherever such can be granted with safety.

3. All relaxations controls are useful for propaganda against Sovs.

4. Unless there are specific and important reasons for retaining each given power which will not also be retained in West Germany, it shld be dropped. Mere fact of special exposed position Berlin is not sufficient justification for retaining any given power.

[Here follows the United States position on specific paragraphs and subparagraphs of the Statement.]

II. *Berlin Status and Status of Treaties.* Berlin is not expected participate directly in fon relations and no formula defining its legal status therefore seems necessary or desirable at this time.

Since Berlin shld be permitted delegate fon representation powers to Fed Rep, reactivation former Ger treaties shld be done in such a way Berlin can be included wherever appropriate.

III. *Claims.* It does not seem necessary obtain any commitments from Berlin relating claims at this time.

IV. *Termination State of War.* Consultation shld occur between Kommandatura and Berlin auths on eliminating from Ger domestic law any ref state war and its consequences respecting Allied govts and their natls.

Other aspects Fon Mins agreements on ISG items not applicable Berlin as yet.[3]

WEBB

[1] Repeated to Berlin as 119.

[2] For the text of the Statement of Principles Governing the Relationship between the Allied Kommandatura and Greater Berlin (the "Little Occupation Statute"), May 14, 1949, see *Germany 1947–1949: The Story in Documents* (Washington, Government Printing Office, 1950) pp. 324–326.

[3] For documentation on the work of the Intergovernmental Study Group on Germany (ISG), see pp. 737 ff.

862A.511/10–750 : Telegram

The United States Commander, Berlin (Taylor) to the Office of the United States High Commissioner for Germany, at Frankfort [1]

SECRET BERLIN, October 7, 1950—11 a. m.

592. Bonn's telegram 175 to Department, repeated Berlin 79, Frankfort 197.[2]

1. In accordance decisions taken at Commandants meeting with HICOMs September 28, Commandants met October 5 with Reuter and Suhr re strengthening of police.

2. British Commandant, as chairman, opened discussion by referring to Foreign Ministers communiqué [3] and saying that Berliners undoubtedly wish participate in Berlin's defense if attack comes; that commandants authorized re-arm city police up to prewar level; and that Reuter-Suhr views desired re possible further strengthening security police. I added we are not disturbed by present situation, but that, in past, military situation had been viewed under two aspects: (*a*) Civil disturbances arising out of such events as *Deutschland Treffen*, which allied troops and city police are competent to handle, and (*b*) Attack by Red Army which obviously could not be repulsed by Berlin garrisons in any case. Now, however, in light creation Soviet Zone *Bereitschaften* [4] and example Korea, another degree of preparedness required, calling for stiffening of allied garrisons and of Berlin police.

3. Reuter expressed satisfaction that Commandants not disturbed by present situation. He agreed measures should be taken in Berlin parallel to and in connection with those in Federal Republic. On military side too considered important that quality as well as quantity of allied strength be reinforced so that any surprise attack would not mean city could be conquered within 24 hours. Re Berlin police, he said they should have carbines, machine pistols, and small number light machine guns; also armored personnel carriers. As to financing, he assumed HICOM would consider Berlin's requirements in framework overall German rearmament question.

4. Reuter then said there was strong tendency among West Berliners toward some sort of "citizens guard" and he felt tendency could not be

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[1] The source text was sent as 526 to Department of State.

[2] Not printed; it reported on an Executive Session of the High Commissioners with the Berlin Commandants at which Berlin security, the arming and training of the Berlin police, stockpiling in the city, and transportation problems were discussed. The High Commissioners agreed that the Commandants should inform the Magistrat that the Allies would reinforce their garrisons and discuss the size and financing of Berlin auxiliary and reserve police. (762A.00/9–2850)

[3] For the text of the Foreign Ministers communiqué on Germany, released to the press on September 19, see vol. III, p. 1296 or Department of State *Bulletin*, October 2, 1950, pp. 530–531.

[4] For documentation on the creation of the Soviet Zone *Bereitschaften*, see pp. 942 ff.

ignored. He thought this might be developed in connection with police increase by creation voluntary reserves; e.g. for each regular policeman, one or two men in reserve in case emergency. Such men would be given some weapons training and would be volunteers, although perhaps paid for training period of possibly one week. Reuter emphasized such volunteer corps should not consist of any political party groups.

5. Suhr reiterated latter point, saying he was skeptical re such organizations as he himself had been active in them after World War I. He expressed agreement in general with Reuter's comments. He felt leadership of volunteer reserves should be in hands of regular police.

6. Summary of Germans views indicated they envisaged three steps:

(*a*) Re-arming present police to prewar level.
(*b*) Creation of volunteer reserve.
(*c*) Creation police reserve.

7. Following specific suggestions developed by Germans during discussion:

(*a*) All measures re police increase should be coordinated with that of Federal Republic and number of police reserve should be based on Federal Republic police increase: e.g. if Federal Republic police increased by 30,000, Berlin police reserve should be 10% this number or 3,000.

(*b*) Two police forces undesirable, hence police reserve should be part of regular police force.

(*c*) Certain number of police should be formed into *Bereitschaften* type units and quartered in barracks. Presumably the 3,000 men reserve include (*c*) above.

8. Reuter said that, although definite answers impossible until after consultation with Police President Stumm, he believed certain number present police officers qualified to start training reserves immediately. Increase in number of police officers and NCO's would be necessary, however. Re recruitment, he foresaw no difficulties, especially in view 120,000 unemployed males.

9. It was obvious from tenor and detail of Germans comments that they had already discussed matter at length between selves and had been awaiting Commandants' approach. It was interesting that Suhr, who several months ago had expressed himself strongly against any German re-arming, particularly in Berlin, now appears fully recognize necessity of project and prepared proceed with it despite innate disdain.

10. Agreement reached was that Commandants will meet again October 10 with Reuter, Suhr and Stumm to discuss details, including whether plan of procedure should be joint Allied-German project or worked out first by Germans alone and then submitted to allies. Mean-

while Reuter and Suhr will inform party leaders of project, cautioning re secrecy. They feel essential inform party leaders in view already widespread discussion of subject.[5]

Sent Frankfort 592, repeated info Department 526, Bonn 112.

TAYLOR

[5] At the meeting on October 10 it was agreed to rearm the regular police, increase their number by approximately 3000 men, create a volunteer reserve, and establish a joint Allied-German expert committee to consider all aspects of the Berlin police and security question. (Telegram 559, October 13, from Berlin, not printed, 862A.511/10-1350.)

PPS Files: Lot 64 D 563: Germany

Memorandum by the Secretary of Defense (Marshall) to the Executive Secretary of the National Security Council (Lay)[1]

TOP SECRET WASHINGTON, October 18, 1950.

Subject: United States Policy With Respect to Berlin and Eastern Germany.

The Department of State in a separate but related action[2] is forwarding to the National Security Council for its information the text of the "Agreement on Berlin Security" which was reached by Three Foreign Ministers in their September meeting, as well as a copy of "A Review of the Berlin Situation", a study prepared in Germany by the U.S. High Commissioner; the Commander in Chief, Europe; and the U.S. Commander, Berlin.

The Joint Chiefs of Staff in early September commented upon the text of the "Agreement on Berlin Security" prior to its finalization. They have also commented upon the study "A Review of the Berlin Situation". Their comments with respect to these two documents are of interest to the National Security Council and pertinent extracts thereof are set forth in the following paragraphs.

Concerning the "Agreement on Berlin Security" an early version of this Agreement contained the following paragraph:

"7. Initiate a joint military study of possible ground action to break through blockade by ground transport and of a limited airlift with fighter escort."

The Joint Chiefs of Staff commented as follows with respect to this paragraph:

"The Joint Chiefs of Staff are of the opinion that the subject matter of paragraph 7 of the draft agreement is, in the first instance, a mili-

[1] The source text was transmitted to the National Security Council and added as pages 30 and 31 of NSC 89, dated October 20. Regarding this paper, see footnote 1, p. 867.

[2] At this point in the source text a footnote directed the reader to page 1 of NSC 89 which comprised a memorandum of transmission by Deputy Under Secretary of State Matthews to the National Security Council, not printed.

tary matter. Furthermore, the Western Powers do not now have, nor will they have in the foreseeable future, sufficient military forces to break through a blockade of Berlin. Accordingly, they feel that the subject matter of paragraph 7 should be deleted from the draft agreement on Berlin security since a joint military study of this nature would serve no useful purpose at this time. If and whenever the military strength of the Western Powers is sufficient for such an operation, military authorities of the North Atlantic Treaty Organization will undoubtedly consider plans for such an operation."

With respect to the study "A Review of the Berlin Situation" pertinent extracts of the comments of the Joint Chiefs of Staff concerning this study are as follows:

"The Joint Chiefs of Staff have examined the enclosed Study, dated 29 August 1950 entitled "A Review of the Berlin Situation". They consider the Study prepared jointly by the United States High Commissioner for Germany; the United States Commander, Berlin; and the Commander in Chief, Europe, to be an excellent short-range politico-military analysis of the Berlin situation. Further, the Study discloses a high degree of coordination in the planning field, particularly with respect to the measures recommended to be taken during the next six to twelve months in order that the Western Allies may maintain their position in Berlin despite renewed Soviet efforts, including the use of military force under the control of the East German Government, to drive them out.[3]

. . . . . .

"The Joint Chiefs of Staff perceive no objection to that part of the recommendation of the Study which provides for the reinforcing and re-equipping of the West German police and for the development of a possible reserve capable of military action, and the recommendation that the United States military garrison in Berlin be reinforced with parallel action by the United Kingdom and France being requested.

"The Joint Chiefs of Staff note that a number of other recommendations in the subject paper are at variance with the present United States policy toward Berlin and Germany. Accordingly, they suggest that the National Security Council be requested to review the United States policy toward Berlin and Germany in the light of the enclosed Study and the recommendations by the Joint Chiefs of Staff thereon. The Secretary of State should also be immediately apprised of your action."

It is recommended that the foregoing be brought to the attention of the National Security Council Staff for its use in connection with the study now being made with respect to Berlin under the provisions of paragraph 42 of NSC 73/4.[4]

G. Marshall

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[3] Omission indicated in source text.
[4] Vol. I, p. 375.

762A.00/10–2350 : Airgram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfort[1]

SECRET WASHINGTON, October 23, 1950.

A–1172. In order to avoid development of parallel but disconnected interchanges on the subject of United States ability to maintain an airlift to Berlin in the event of Soviet re-imposition of the blockade, upon which problem Top Secret Deptel 2760[2] was sent HICOG on October 13, there is quoted below another cable which was sent to Mr. Spofford at London no. 1977 Oct 17 on the same subject.

The purpose of the message below was to supply Mr. Spofford, as the United States Defense Deputy, with the Department's present intelligence summary of probable Soviet intentions and potential regarding Berlin. Mr. Spofford had requested such a paper (*a*) as background for a series of meetings on intelligence topics which the defense deputies wish to initiate among themselves, and (*b*) to reinforce his position in working toward NAT cooperation on a program for joint counterblockade measures in the event of serious Soviet or Soviet-inspired harassment of West Berlin communications.

For details on "(*b*)" above, attention is invited to Deptel 1943 to London, October 16, repeated to Frankfort as Deptel 2803 and to Paris as Deptel 1947.[3]

The verbatim text of the intelligence summary on Berlin which has been cabled to Mr. Spofford follows:

"Secret niact AmEmbassy, London. For Spofford. Subj: Estimate—Berlin.

1. Current Sov intentions are to make Berlin the capital of Sov Ger, and it may be expected that efforts to realize this end will be intensified now that the Oct 15 elections in the Sov zone[4] have been held. It is quite possible that these efforts will include giving "sovereignty" to the Sov puppet regime in East Ger and attempts to use this regime as an instrument to force us out of Berlin.

2. The Sov offensive against West Berlin may take the form of force action or blockade. Force-action capabilities of the Sovs are in turn capabilities of the East police and of the Red Army. There is no present indication that the Sovs anticipate using its own armed forces for this purpose, and it is not estimated that they wld be so used unless the USSR had made a decision to enter a general world conflict. Force capabilities of East Ger police (specifically the *Bereit-*

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[1] Copies also sent to Berlin and Paris.

[2] Not printed; it noted that the "past JCS reluctance to re-examine question of possible ground break-through leaves us without satisfactory blockade plan except as to stockpiling and counter-blockade." This was felt to be insufficient and the Department of State was asking the National Security Council to give full consideration to the problem of maintaining or restoring communications with Berlin. (762A. 0221/10–1350)

[3] Not printed.

[4] For documentation on the October 15 elections in the Soviet Zone, see pp. 942 ff.

schaften, now numbering between 50 and 60 thousand men) will probably not be sufficient, after the contemplated strengthening of Western forces, to permit overrunning West Berlin against Ger and Allied forces without a long range struggle likely to lead to broader military action including the defeat and collapse of the East Ger regime and the possible involvement of Sov units presently situated in Eastern Ger. The *Bereitschaften* have a capability of being expanded rapidly, and though the USSR is unlikely to order East Ger police action this fall, it is quite likely such action might be undertaken in the not-too-distant future.

3. Most likely type of interference and harrassment to be undertaken against our position in West Berlin is that of an intensification of the economic cold war and possibly a re-introduction of the blockade. Shld the blockade be re-introduced, this wld represent a Sov estimate of Allied unwillingness or inability to supply their Berlin outpost. It shld be noted in this connection that any such blockade wld result in a counter-blockade of East Ger—a counter-blockade effective for vital items insofar as other Western countries wld cooperate.

4. Shld the Sovs limit themselves and their Ger puppets to a continued or intensified econ cold war they have the capability of preventing the econ recovery of West Berlin to anything approaching normalcy, and the Western Allies have equally the capability of keeping up necessary standards of living if they have the will so to do.

5. The loss of Berlin—by arms or otherwise—wld be one of the most serious blows the West cld suffer in Eur, and it is so important for the Western powers to remain in Berlin that they must be willing to take a calculated risk of war to accomplish this.

6. The Sovs feel that if they can seize all of the former capital of Ger they will have taken a significant step toward seizure of all Ger, which, in turn, is often described as the present key to all Western Eur. To the NAT countries, the maintenance and enhancement of Western prestige by remaining steadfast in Western Berlin is high among psychological considerations, and from polit, moral and strategic standpoints as well. The presence of a continuing exhibition of Western freedom in the midst of a region otherwise oppressed is a credit to the NAT countries and a psychological advantage for them. Holding firm in Western Berlin appears to have been a daring and worth-while move. It has taken hold of the imagination of the Sov-dominated area as well as in Western Ger and the free world. The spirit of the West Berlin population, in its isolated position, has been of marked advantage to the Western powers."

ACHESON

PPS Files: Lot 64 D 563: Germany

Memorandum for the Joint Chiefs of Staff Representative on the National Security Council Staff (Wooldridge)[1]

TOP SECRET WASHINGTON, October 30, 1950.

1. Paragraphs 42 and 43 of NSC 73/4,[2] "The Position and Actions of the United States with Respect to Possible Further Soviet Moves in the Light of the Korean Situation," pertain to the possible blockading of Berlin and/or Vienna by the USSR. The Department of Defense has made a study of our present airlift capabilities, the results of which are summarized below. As used herein, the phrase "short-term requirements" means those minimum essential needs which will maintain the city on a strict austerity basis for a short period of time. The phrase "long-term requirements" means those needs which will maintain the city over an extended period of time, without a loss of morale.

a. Berlin

(1) At the present moment, the United States, with the estimated U.K. effort, has the capability of establishing an airlift which can supply 29 per cent short-term, or 22 per cent long-term requirements by the end of the second month. By increasing current personnel, primarily through recalls to active duty and security and maintaining aircraft from reserve stocks, this capability can be increased so that a total of 87 per cent short-term, or 67 per cent long-term, requirements can be lifted during the fifth month. By continuing this effort further, a total of 124 per cent short-term or 100 per cent long-term requirements can be lifted after seven months.

(2) Considering the current stockpile (4–5 months) and current airlift capacity, we have a capability of remaining in Berlin in event of a blockade for 5½–7 months. By increasing our airlift capability, as noted above, we can remain in Berlin indefinitely.

b. Vienna

(1) We are limited by the fact that no Allied airfields are located within the Western Sectors of the City; therefore, an airstrip would have to be constructed in case of a blockade. Materials are on hand to construct one C–47 airstrip within the British Sector of the City which could be in operation within three months. Current stockpiles will cover this period. Local conditions are such that construction should not be undertaken until a blockade is actually imposed. Therefore, utililizing available C–47's, we have the capability of supplying 20 per cent of the short-term, or 16 per cent of the long-term requirements. To improve this capability additional construction material would have to be prestockpiled in order to convert the C–47 airstrip for heavy aircraft and to construct a similar parallel runway. If this were done the maximum effort would be reached in the sixth month, when slightly more than short-term, but 20 per cent less than the long-term requirements could be lifted.

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[1] The source text was an enclosure to a memorandum dated October 31, not printed, from Executive Secretary Lay to the Senior NSC Staff, which circulated the JCS memorandum for the information of the Staff.

[2] Vol. I, p. 375.

(2) Considering the current stockpile (3–4 months), we have a capability of remaining in Vienna in event of a blockade for 4–5 months. By increasing our airlift capability, as noted above, we can remain in Vienna for approximately one year.

c. In case both cities are blockaded simultaneously, the Vienna airlift could be maintained with C–47's, as shown in subparagraph *b* (1) above; however, this might, depending upon the priority of the project, produce an unacceptable drain upon the personnel considered available to support the Berlin airlift.

d. Aircraft capabilities, as limited by the availability of aircraft to meet the requirements set forth above, will necessarily fluctuate with the magnitude and priority of current military operations and areas of deployment.[3]

2. This study has been based upon the assumption that, in the imposition of a blockade, the Soviets will avoid any action which can be construed as an act of war. However, a combined U.S.–U.K. study indicates that the Soviets have, and will exercise, a capability of interference with an airlift. The factor of Soviet interference has not been included in the above capabilities. Such interference may be negligible, or it may be such that aircraft are forced to operate under visual flight conditions only, or possibly forced to suspend operations entirely.

3. While a study of airlift capabilities indicates that we can probably remain in Berlin or Vienna, the diversion of the large numbers of multi-engined aircraft required to sustain this capability is considered to be militarily unsound under present conditions.

4. The extent of our capability to establish an airlift to Berlin and/or Vienna contains implications beyond those of a purely military nature. Therefore, it is recommended that the National Security Council Staff note the conclusions contained herein.

[3] For further documentation on the possible blockading of Vienna, see pp. 367 ff.

762A.5/11–1850 : Telegram

The United States High Commissioner for Germany (McCloy) to the Secretary of State

SECRET

BONN, November 18, 1950—2 p. m.

323. Eyes only for Acheson and Byroade. AGSec from Slater. In accordance with paragraph (*c*) of HICOG Bonn, sent Department 294, repeated Frankfort 309, Berlin 123, EuCom Heidelberg 6, of 9 November 1950,[1] below find verbatim text of tripartite statement to governments Unified Command in Berlin. This text was approved

[1] Not printed; it transmitted a summary report on the Executive Session of the High Commissioners and the Berlin Commandants held at Bonn-Petersberg on November 9 in which the nature and quantity of arms for the Berlin police, the financing of the Berlin police program, and a unified defense plan for Berlin were discussed. (762A.5/11–1050)

by US, UK and French High Commissioners in executive session 16 November 1950.

Begin text.

1. In a meeting with the US, UK and French Commandants, the Allied High Commissioners discussed on 9 November 1950 the problem of establishing a Unified Command for the defense of Berlin. The High Commissioners were unable to reach a conclusion as to which of several alternatives should be adopted and agreed to present the question to governments with a request for instructions.

2. The alternative forms of a Unified Command considered by the High Commissioners were:

(i) A Supreme Commander superior to the three Commandants.

(ii) The Commandant in the chair who would assume command in the event of an emergency with an integrated tripartite staff operating under the Commandants which would prepare plans for the joint defense of Berlin.

(iii) A separate military commander with his own integrated tripartite staff who would be responsible to the Commandant. In the event of hostilities, he would have full command over battle operations but would be responsible to the Commandants who would take only basic decisions appropriate to the functions exercised by Combined Chiefs-of-Staff.

3. It is pointed out that pending the resolution of the question of Unified Command the High Commissioners agreed:

(*a*) To recommend to the Commanders-in-Chief of the Occupation Forces the establishment at once of an integrated staff to prepare plans for the defense of Berlin and to request them to consider the necessary measures;

(*b*) As an interim measure:

(i) To authorize the Commandant in the chair to make spot decisions on defense matters in an emergency when time precludes consultation with the other Commandants;

(ii) That, in emergency situations where the time factor was of primary importance, a majority decision of the Commandants in defense matters should rule without recourse to the appeal procedure. *End text.*

Sent Department 323, repeated info Frankfort 353 (eyes only for King and Gerhardt)[2] Berlin 135 (eyes only for Taylor) EuCom Heidelberg 7 (eyes only Handy). [Slater.]

McCloy

[2] James E. King, Executive Secretary of the Office of the U.S. High Commissioner, and Lieutenant Colonel Harrison A. Gerhardt, Special Assistant to the High Commissioner.

Editorial Note

At their 32d meeting on November 23, the NATO Council Deputies considered a resolution on Berlin introduced by United States Deputy

Spofford, and agreed that each country should consider the level of its trade with the city. The Deputies also agreed "that an attack on German police or any other force in Western Berlin would constitute attack on occupying powers and bring NAT into force." (Depto 213, November 23, from London, not printed, 740.5/11–2350)

762A.00/11–1650 : Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfort [1]

SECRET PRIORITY WASHINGTON, November 27, 1950—9 p. m.

3872. Re Frankfort's 4139 Nov 16; Berlin's 711 and 712 Nov. 17.[2] Dept concerned about significance Berlin elections likely to assume in view current defense controversy. Agree on probability West Ger party dispute apt to confuse Berlin voters and thus benefit SED calling for abstention, or possibly extreme right like *Deutsche Partei.*

It therefore seems imperative for our media to impress upon Berlin population importance of vote as symbol of Free World resistance to Communist aggression, roughly as follows:

Free World always looking to Berlin elections with intense interest and considerable pride as manifestation of great free community behind Iron Curtain administering self in democratic way despite five years of relentless Sov pressure. Unquestionably, this very fact equally impresses Sovs, as it is bound to lift up hearts of all peoples deprived of freedom by Sov rule, from East Berlin to far boundaries of Sov Union and Asia. Are confident Berliners will exercise their voting privilege in full consciousness this symbolic responsibility, no matter whether election issues are of world-wide, or chiefly internal, significance.

Importance Berlin vote this time, however, much heightened when question of organized European self-defense with American help against Communist aggression is at stake. Admittedly, there are many thorny problems involved in building effective European self-defense system which at this point are reflected in differences on some points between governments and political parties of countries concerned. Debate of this type, although it may give temporary comfort to Sov aggressors and their Ger agents, is natural, inevitable and, in last analysis, healthy as method of free nations to work out agreement on momentous issue.

But while there are frank differences on best ways to build European self-defense, with American assistance, no doubt must be permitted to exist on basic determination of Free World to oppose Communist, aggression with all its strength. Nothing wld give more encouragement to Communist aggressors than Berlin election result

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[1] Repeated to Berlin.

[2] None printed; they reported on various aspects of the Berlin election campaign. (762A.00/11–1650 and 1750)

leaving any room for doubt on this score. Berliners know any encouragement for Communist aggression front, however indirect, bound to result in increased pressure upon their city. They know, too, that because Berlin has become outstanding symbol of Western world resistance to Communist aggression, demonstration of their attitude can have more telling significance than that of any other community. Free World trusts Berlin voters will go to polls next Sunday, in defiance of SED appeals for abstention, fully conscious of their responsibility before world; and that they will show the political maturity they have acquired in years of suffering and resistance by rising above party dispute and casting their votes not merely for any one political party but, implictly, for combined, more effective resistance to Communist aggression.

If you concur this approach, will try to obtain last-minute appeals from variety of American sources along these lines in addition to VOA broadcasts.[3]

ACHESON

[3] In telegram 4501, November 29, from Frankfort, not printed, McCloy advised that he had discussed this proposed course of action with the Berlin Element, which felt it was unnecessary and undesirable. McCloy agreed, stating that rearmament was not an issue in Berlin and that "Soviet/SED line to discourage participation in elections likely to have exactly opposite effect," and that the overall impression was that the "Berlin election situation well in hand." (762A.00/11-2950)

762B.00/11-2950 : Telegram

The Director of the Berlin Element, HICOG (Page) to the Office of the United States High Commissioner for Germany, at Frankfort [1]

SECRET PRIORITY BERLIN, November 29, 1950—7 p. m.

861. Re Deptel 3872 to Frankfort repeated Berlin 182. Basic assumption on which we have been proceeding re Berlin elections is that we should avoid any form overt intervention. As noted Berlin's 740 to Frankfort repeated Department 656, spectacle free elections conducted for first time by Germans themselves without allied intervention constitutes most potent force in ideological fight against communism. Any evident US attempt influence Berlin voters would have most unfortunate consequences. Injection military defense angle by US could only be interpreted as effort persuade voters against supporting SPD.

American media including RIAS and *Neue Zeitung* doing effective job impartial coverage election campaign with emphasis on anti-Commie significance and importance everyone voting. RIAS has made air time available every day except Sunday for speakers all parties and in addition this week carrying fifteen minute talks by Magistrat official reporting to people on work city government. During last 48 hours before elections RIAS will carry frequent appeals to citizens to vote.

[1] The source text was sent as 768 to the Department of State.

Reuter will record special appeal which will be broadcast periodically by RIAS. Berlin press and political leaders similarly stressing importance large turnout voters. Commie efforts persuade or prevent West Berliners from voting most likely result in greater vote.

Allied Commandants considering release statement immediately after elections expressing satisfaction this demonstration democratic self-government noting significance large participation as evidence Berliners not dissuaded by Commie threats or blandishments and pledging continued cooperation with legally elected authorities to safeguard and promote welfare of city and inhabitants.

For reasons indicated, strongly recommend no effort be made influence Berlin elections.

Sent Frankfort 861 repeated information Department 768.

PAGE

Editorial Note

The two-year term of the Berlin City Assembly elected in 1948 expired at the end of 1950, and new elections were scheduled for December 3. On election day 90.4% of the eligible voters went to the polls, a higher percentage than had participated in the 1948 elections at the height of the Berlin blockade. The SPD received 44.6% (61 seats), the CDU 24.6% (34 seats), the LDP/FDP 23.1% (32 seats) and five other parties a total of 7.7%, but none of these 5 gained the 5% necessary for representation in the Assembly. Under the new constitution, approved by the High Commission during the summer, the legislature comprised 200 seats, 73 of which were left vacant for eventual representation from the Soviet sector. Following the elections the three parties began negotiations that culminated in continuation of the ruling grand coalition for the city.

THE SOVIET NOTE OF NOVEMBER 3 PROPOSING THE CALLING OF THE COUNCIL OF FOREIGN MINISTERS TO DISCUSS THE DEMILITARIZATION OF GERMANY

396.1/11–450 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

CONFIDENTIAL PRIORITY Moscow, November 4, 1950—1 a. m.

973. Following is text note referred to my immediately preceding telegram.[1] Department please pass both messages London, Paris, Frankfort.

[1] In telegram 972, November 3, from Moscow, not printed, Kirk reported that he had been called to see Gromeko at 11 : 15 p. m. (Moscow time) and had been handed the Soviet note.

"On instructions Soviet Government Minister of Foreign Affairs USSR has honor state following:

On September 19, 1950, communiqué was published re meeting in New York of Ministers of Foreign Affairs of USA, Great Britain and France on question of Germany.[2] Seen from communiqué that principal question of meeting of three Ministers was question of creation German army, question of remilitarization of Western Germany.

On October 20 and 21 meeting was held in Praha of Ministers of Foreign Affairs of USSR, Albania, Bulgaria, Czechoslovakia, Poland, Rumania, Hungary and German Democratic Republic, as result of which declaration was published containing proposals, directed, in conformity with Potsdam Agreement, to early peace settlement for Germany and to accomplishment demilitarization Germany. Soviet Government fully shares the proposals mentioned as well as Praha declaration as whole, text of which enclosed herewith.[3]

Soviet Government considers that questions concerned in communiqué of Ministers of Foreign Affairs of USA, Great Britain and France of September 19 and also in Praha declaration possess greatest significance for cause of assuring international peace and security and touch fundamental national interests of peoples of Europe and in first instance peoples who suffered from Hitlerite aggression.

Taking into account important significance of question of fulfillment decisions of Potsdam Conference regarding demilitarization of Germany and also the divergencies existing in the positions of Four Powers occupying Germany on this question, Soviet Government considers it necessary to discuss these questions without delay. With these purposes in mind Soviet Government submits proposal for calling Council of Ministers of Foreign Affairs of USA, Great Britain, France and USSR for consideration of question of fulfillment of Potsdam Agreement regarding demilitarization Germany.

Soviet Government hopes receive answer of Government of USA regarding present proposal at very early date.

Soviet Government is simultaneously sending similar notes to Governments of Great Britain and France." [4]

KIRK

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[2] For the text of the Western Foreign Ministers communiqué on Germany, September 19, see vol. III, p. 1296.

[3] For the text of the declaration by the Soviet and satellite Ministers, see Beate Ruhm von Oppen, ed., *Documents on Germany Under Occupation, 1945–1954* (London, Oxford University Press, 1955), pp. 522–527. A copy was not attached to the source text.

[4] For the Russian text of the note, see *Vneshniaia politika Sovetskogo Soiuza, dokumenty i materialy, 1950 god* (Moscow, Gospolitizdat, 1953), pp. 231–233 or *Izvestiia*, #264, November 5, 1950. In telegram 975, November 4, from Moscow, not printed, Ambassador Kirk speculated that:

"this may be time for us to seize initiative to attain two important objectives: (*a*) Conclusion of Austrian Peace Treaty, (*b*) Dramatization before world opinion, in event of CFM, of concept that Soviet camouflage and concealment are key factors in preventing mutually satisfactory agreement on such important problems as demilitarization of Germany, control of atomic energy and general reduction of armaments." 762A.5/11–450)

396.1/11-650 : Telegram

The Secretary of State to the Embassy in the United Kingdom [1]

TOP SECRET PRIORITY NIACT WASHINGTON, November 6, 1950—8 p. m.

2369. 1. We have given most careful consideration to problem raised by Sov request for CFM and have reached fol views which we understand are in essential agreement with preliminary views of Brit and Fr Govts.

2. Ger demilitarization and Praha Declaration are quite unacceptable as basis for Four Power talks which, if they shld be held, must not be confined to subject of Ger alone but expanded to cover other primary sources of world tension as well. We feel we shld not be hurried into making premature reply to Sov Govt but shld take all the time necessary to give problem exhaustive consideration among ourselves. Although it is important, both for reasons of world opinion and the recent UN Resolution on this subject, that we not appear to shut the door to possible future conversations,[2] we believe that if such talks are agreed to it shld be only after most careful preparation. Finally, it is of utmost important that such consultative period and Four Power talks themselves, if they shld occur, are not permitted to affect solidarity of NATO nor the vigorous pursuit of its objectives.

3. Our suggested line of action is that the Sec make a press statement on Wed, Nov 8, along lines set forth at para 4 below. This is to be followed by inspired stories in press developing theme in greater detail. Subsequently three Western Govts shld consider best means of approaching problem of conversations with Sovs as well as what subjects might be discussed with them. Our present thinking is that following such preliminary groundwork among ourselves it wld be possible, in line with Syrian-Iraqi Resolution,[3] to have exploratory conversations with Sov Reps at UN. If these conversations reveal any substantive change in Sov position on major world-wide issues we cld then consider procedure for further Four-Power talks. In any event before commitment to CFM we wld insist upon preparatory work in less formal body to determine agenda and sufficient indications of Sov position to be certain that in such a mtg we cld achieve useful results.

Presumably character of our reply to Sovs note will depend in part upon decision reached by our three Govts as to best procedure to be followed.

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[1] Repeated to Paris as 2430, Frankfort for McCloy as 3356, and Moscow as 313.

[2] Presumably a reference to the Uniting for Peace resolution adopted by the General Assembly on November 3; for documentation on this resolution, see vol. II, pp. 303 ff.

[3] For documentation on the Syrian-Iraqi peace resolution before the United Nations General Assembly, see *ibid.*

4. SecState statement to press:

"We are of course giving careful consideration, in consultation with Fr and Brit Govts, to Sov proposal for mtg of CFM on demilitarization of Ger. We find it somewhat extraordinary that Sov Govt shld be so eager that this mtg be held promptly. The Sov Govt delayed for over five months its reply to our note of last May calling upon the Sov authorities in Ger to disband the extensive and heavily armed paramilitary forces which they have created in the Eastern Zone. The belated Sov reply completely evaded the issue.[4]

Furthermore, I shld like to point out that at the last CFM in the spring of 1949 five futile weeks were devoted to discussion of Ger and no progress was made in the face of Sov intransigence.[5] At that same mtg, however, those essential elements of an Aust treaty, still in dispute after three years of negotiation, were agreed and it was assumed that a treaty wld be concluded very shortly. Yet during the ensuing year and a half the USSR has prevented the conclusion of that treaty by repeated introduction of new and irrelevant issues into the negotiations.[6] In deciding how a further mtg of the CFM could in fact serve the interests of world peace, we must clearly consider the extent to which the decisions of the previous mtg have or have not been carried out.

Finally, I shld like to point out that Ger is not a problem which can be isolated from the context of similar areas of tension in other parts of the world. Korea has been the scene of armed aggression which, in spite of the efforts of the UN to localize and halt the conflict, is even now being given new and ominous extension. The bitter struggle in Indochina is likewise being aggravated by outside intervention. Other nations are being subjected to an increasing war of nerves which raises legitimate fears for their security.

It is for these reasons that the free world is rearming and mobilizing its strength and resources. It will continue to do so until these legitimate fears are removed. However, it is our most earnest desire that these fears be removed and we wld welcome an opportunity to lessen them through negotiation. Such negotiations, however, wld have to deal not with a single issue but with the principal issues which are now creating the threats to world peace. Such negotiations wld also have to be based upon evidence of a genuine desire and intention to reach agreements which wld remove or alleviate those threats and not merely upon a desire to exploit for propaganda purposes the longings of all peoples for peace.

We shall reply in due course to the Sov note but the issues involved are far too serious to admit of hasty treatment." [7]

5. We believe it wld be helpful to Adenauer at his Wed mtg of Bundestag if Mr. Schuman found it possible upon his return to Paris to make press statement which wld convey point that although Fr

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[4] Regarding the Western Foreign Ministers note of May 23 on the demilitarization of East Germany and the Soviet reply of October 19, see telegram 1318, March 23, and the editorial note, pp. 948 and 951.

[5] Documentation of the sixth session of the Council of Foreign Ministers, May 23–June 20, 1949, is in *Foreign Relations*, 1949, vol. III, pp. 856 ff.

[6] For documentation on the negotiations for an Austrian Treaty, see pp. 430 ff.

[7] For the final text of Secretary Acheson's statement, released to the press on November 8, which closely paralleled the source text, see Department of State *Bulletin*, November 20, 1950, p. 818.

Govt has made it clear that it believes Four Power talks might be useful, present Sov proposal does not by itself offer adequate basis and that three Govts are having to look at the whole question with utmost care. Alternatively, François Poncet might be instructed to speak in this sense directly to Adenauer.

6. Pls let us know as soon as possible Fr and Brit reaction to foregoing.[8]

7. We will transmit shortly our thoughts on fuller background guidance which we expect to issue to the press.

8. For McCloy. Believe you will wish to give Adenauer summary these views after coordination with Brit and Fr Govts. We will telegraph you later on this.[9]

ACHESON

[8] The replies from London and Paris indicated that both the British and French Foreign Offices were in general agreement with the United States position. Kirk also concurred in this reasoning. Telegrams 2643 and 2666, November 7, from London; 2581, November 8, from Paris; and 1001, November 10, from Moscow, none printed (396.1/11-750 through 11/1050).

[9] At the bottom of the source text was the typewritten notation "Approved by The President".

396.1/11-950: Telegram

The Ambassador in France (Bruce) to the Secretary of State

TOP SECRET PARIS, November 9, 1950—8 p. m.

2604. To Nitze[1] from Bohlen. Due to delay in communication it was not possible for us to comment before action on Deptel 2430[2] in regard to handling of Soviet note on CFM. My personal comments are as follows:

1. There seems to be general agreement all around that we cannot provide the Soviets with the propaganda value of an outright rejection of principle of discussion and equally of the impossibility of accepting a four-power conference on narrow basis of Potsdam decision. The chief problem therefore seems to be on the basis of what agenda and under what conditions would we actually agree to a four power conference. I may be wrong, but I have the impression that Deptel 2430 reflects two divergent and even contradictory theses. One with which I am in complete accord is that the note is purely a propaganda maneuver designed to divide the West, to slow down and disrupt the present efforts towards increase of strength with obvious selection of German demilitarization because of present controversy regarding German contribution. On the other hand, parts of this Deptel suggest a procedure such as "exploratory conversations with

[1] Paul H. Nitze, Director of the Policy Planning Staff.

[2] Same as telegram 2369, *supra*.

Soviet representatives" and "careful preparation in less formal body" (presumably four-power) which appear to stem from some belief that "useful results" can be obtained, or, in other words, that there is some serious intention behind the Soviet move to work for some constructive result. I personally am convinced that there is no such intention because of the manner, if for no other reason, in which the Soviets have publicized their suggestion. Past experience has shown that they usually explore in secret if they have serious business in mind and use publicity when they are merely dealing in destructive propaganda.

2. I think we should be careful in our thinking (I am not speaking now of public presentation which is another matter) as to whether we regard this move as propaganda or based on a serious desire to negotiate. Our conclusion on this point will obviously dictate our strategy and tactics. To engage in a preparatory stage on four-power basis would certainly arouse greater expectations of some fruitful results from a CFM or at least the impression that the West expected some such result. Where preparatory work in my opinion is absolutely essential is between the three powers to insure that our positions on all possible subjects of discussion are carefully concerted in order to avoid any divisions which the Soviets could exploit for propaganda purposes. (In this I agree with British suggestion.)

I furthermore have some doubt as to the wisdom of attempting to generalize the agenda to include worldwide problems, particularly those relating to Asia. Any Asiatic question would seem to me to afford them an excellent sounding board in view of the complexity of almost any Asiatic problem, for example, in relation to the attitude of India, etc. Furthermore, we should not forget that if there is to be a CFM meeting, there is the problem of its terms of reference as laid down by the Potsdam Agreement which we have cited in our refusal to have CFM consideration of Japanese peace treaty to the exclusion of other Far Eastern countries.

The reference to soundings in UN, which I can only assume is based on the successful precedent of the Jessup–Malik conversations,[3] does not seem to me to be applicable in this case.[4] In the Jessup–Malik talks there was a specific issue, i.e., the lifting of the Berlin blockade whereas now we are speaking of a CFM meeting which would deal with major political problems long outstanding. It is extremely doubtful if any sounding at UN or elsewhere would produce any clearer indication of Soviet intentions than we already have from contents and manner of presentation of Soviet note.

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[3] For documentation on the Jessup–Malik talks in the spring of 1949, see *Foreign Relations*, 1949, vol. III, pp. 694 ff.

[4] Next to this sentence in the source text was the handwritten notation "No".

It seems to me that in circumstances we could either in our reply (which I agree should not be interim):

(1) Suggest an agenda or conditions which we would know in advance the Russians would refuse, for example, Schuman's thought on Cominform;[5] or (2) confine agenda to Germany and Austria with view to repeating propaganda success of 1949 CFM during actual discussions. I have a slight preference for the second although realizing that a discussion on Germany is not particularly desirable at this time but it should be borne in mind that Germany would be a subject on any agenda however large. The difficulty of the first alternative is that by adding subjects outside of the terms of reference of the CFM as agreed at Potsdam we would afford the Soviets the opportunity of charging a refusal of the CFM meeting by our attempt to introduce subjects not within its competence and which properly belong either at UN or elsewhere and involve interests of other countries.

While I do not think we should hurry to answer the Soviet note, too long a delay could afford them a propaganda advantage and might create impression of confusion and uncertainty. I cannot see that we have very much to fear from a meeting with any reasonable agenda if three powers stick together.

The foregoing are my personal views for such use as you may care to make of them.

Department pass Moscow: repeated information London 626, Frankfort for McCloy 276, Moscow 87. [Bohlen.]

BRUCE

[5] In telegram 2581, November 8, from Paris, not printed, Bruce had reported Schuman's feeling "that if there is to be a meeting, the agenda must be considerably broader and he personally feels should include such questions as Cominform activities and their relatiou to world peace aud tranquility" (396.1/11-850).

396.1/11-2350: Telegram

The Secretary of State to the Embassy in France[1]

TOP SECRET WASHINGTON, November 23, 1950—2 p. m.

2869. 1. Now that public statements have been made by Brit and Fr FonMins and Secy in effect rejecting Sov proposal for CFM on narrow basis Ger demilitarization while at same time not rejecting principle Four-Power talks on Ger question as a whole and other broad issues, we are faced with problem of working out concerted tripartite reply to Sov note of Nov 3. Statements by Bevin and Secy were in their implications practically identical whereas Schuman's

[1] Repeated to London as 2726, Frankfort as 3811, and Moscow as 360.

statement leaves perhaps impression of slightly more desire to discuss broad questions at issue between East and West.[2]

2. In addition problem of what reply shld be made specific Sov proposal at hand there is fundamental question we must answer among ourselves, to which emphasis is given by Iraqi-Syrian resolution recently adopted by UN, namely what we may expect gain or lose by sitting down with Sovs in special talks and endeavoring discuss specific issues at this time. Our view, reinforced in particular by patent propaganda nature of phrasing and timing Sov proposal and in general by universally aggressive posture of Sov and Sov inspired operations around world, is that we shld not count on anything substantive emerging from such talks at this juncture. Hence it must be decided whether in present circumstances it wld be to our advantage for tactical reasons to agree to special talks. Among considerations which this question raises are effect on public opinion in free world of refusal as compared to acceptance of negots, as well as effect on public opinion of failure of such negots if undertaken; of even greater importance is effect which talks might have on our plans for building strength in the West, and finally whether they might produce some mitigation of increased internatl tension arising out of Korean affair and Chinese intervention.

3. Along with these considerations we must be clear on what subjects would be susceptible of discussion with Sovs. Terms of ref of CFM are restrictive in this regard with result that subjects suggested by us other than Ger and Aus cld conceivably lay us open to Sov charge of introducing extraneous matter for purpose of indirectly refusing CFM mtg. We of course wld not wish discuss Japan at this time, not only for reason our past position Japan not subject to CFM competence but because Jap treaty proposals have already been made through other channels.[3] Other FE subjects, especially Korea and Formosa, are before UN and shld be kept in that framework.

4. As far as US public opinion is concerned we believe refusal Sov CFM proposal wld be generally understood if properly handled. It seems to us that in other countries as well there may be perhaps less pressure than formerly for special talks with Sovs. We wld welcome your estimate this factor. You will have noted that Sov press is already

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[2] Regarding Secretary Acheson's statement, see telegram 2369, November 6, p. 904; for the text of Bevin's statement in the House of Commons on November 13, see *Parliamentary Debates*, House of Commons, 5th series, vol. 480, cols. 1383–1385; for Schuman's statement to the National Assembly on November 14, see *Documents on German Unity* (Frankfort, Office of the U.S. High Commissioner for Germany, 1951), pp. 126–127. Bevin's and Schuman's statements and a second statement by Bevin on November 29 are printed in Margaret Carlyle (ed.), *Documents on International Affairs, 1949–1950* (London, Oxford University Press, 1953) pp. 171–176.

[3] For documentation on the Japanese peace treaty, see vol. VI, pp. 1109 ff.

endeavoring make what capital it can out of Bevin's alleged rejection of Sov proposal as "result of strong pressure from Washington". Yet on balance we believe an outright refusal wld be disadvantageous from propaganda point of view.

5. It seems to us there are two principal alternative replies which might be made to Sov note of Nov 3: (1) Note which in effect rejects specific Sov proposal but leaves clear our willingness discuss any time Aus and other issues on reasonable basis without however our making any counter proposal or suggestion. This cld be along lines Secy's statement on Prague Declaration [4] and include appropriate reference to Aus. This wld be in effect simply an expansion of line taken by three FonMins in their recent statements. (2) Note rejecting narrow basis Sov proposal as above but making counter suggestion that if Sov Govt really desires conversations Four Powers cld designate reps to conduct exploratory talks as called for by Iraqi-Syrian resolution to determine whether there exists acceptable basis for discussion of any questions we might agree upon as an agenda.

6. We incline to second alternative. Although impending arrival Chi Commie del at UN may afford opportunity for negot there on Korean issue and Jap treaty problem has already been launched in dipl channels, second alternative has double advantage of both keeping alive principle our eternal readiness to talk on reasonable basis and of responding directly to recent GA resolution. If this alternative is chosen it will of course be essential that adequate preparatory work among the Three Powers assure concerted positions with respect to all possible subjects of discussion with Sovs. Suggested draft note now being cleared and will be telegraphed to you tomorrow.[5]

7. Upon receipt telegram referred to pls obtain Fr and Brit preliminary reactions to foregoing including draft note.

8. Inasmuch as coordination three govt position this matter will require rather extensive consultation we believe this shld be centered in one capital. We wld prefer Paris particularly in view Bohlen's past CFM experience and we understand Paris acceptable to FR. We hope consultations can take place next week. Pls ascertain whether this suggestion acceptable to Brit.

9. Pls ascertain French and British views re possibility communicating to NATO members and certain other Govts tripartite position once it has been agreed.

Rptd for action London; for info Moscow and HICOG, Frankfurt, for McCloy.

ACHESON

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[4] For the text of Secretary Acheson's statement on the Prague declaration, see Department of State *Bulletin*, November 6, 1950, pp. 727–728.

[5] Telegram 2889, November 24, to Paris, not printed. (396.1/11–2450)

396.1/11-2850: Telegram

The Secretary of State to the Embassy in France[1]

TOP SECRET WASHINGTON, November 29, 1950—7 p. m.

2985. Re Paris tel 3002 Nov 27 and London tel 3102 Nov 28.[2]

1. Dept approves ur action in transmitting text of proposed note to Fr and Brit despite ur doubts as to efficacy of line taken in this proposed reply.

2. In reply to Parodi's inquiry concerning our attitude to possibility of suggesting UN or other neutral comm to examine charges of remilitarization in Germany, we frankly do not favor such proposal. This suggestion was considered and rejected during preparation of note protesting formation of East German militarized police last spring. We fear it might backfire if accepted. There are considerable forces of "service units" already in being in US and Brit zones whose existence wld not be hidden. Militarized forces in Sov zone might on other hand be temporarily transformed into police forces or their existence might otherwise be hidden from investigating comm temporarily. Furthermore, possible acceptance of such proposal wld mean that all plans for using Ger manpower in western defense wld have to be shelved for considerable period and we wld consider it foolhardy thus to tie our own hands at this critical juncture.

3. It was indeed our purpose in drawing up draft note to refuse this Sov proposal for a CFM meeting both because of its term of reference which restricted discussion to demilitarization of Germany on the unacceptable basis of the Praha Declaration and because we felt, as apparently do the Brit and Fr judging from Bevin's and Schuman's public statements, that any meeting with the Sovs on the Ger problem alone wld be unrealistic and self-defeating if not brought into the general focus of other problems causing world tensions. We cannot feel Sov proposal was designed other than to exploit propaganda advantage, to delay build up of western defense and to divide western allies; hence fundamentally our reply must be gauged to meet this thrust and by counter suggestion to extract maximum advantage for the West. We did not intend reply shld be polemical in nature but on other hand we believe refusal of CFM as proposed must be clearly supported by reasons therefor. We wld have no objection, if Brit and Fr insist, to modify somewhat "tone" proposed text shld you judge modification might be better received by Western European

[1] Repeated to London as 2831, Moscow as 375, and Frankfort as 3934.

[2] Neither printed; in the former, Embassy Paris reported that in order to avoid further delay it had transmitted the draft text although it had doubts about the line taken in the draft; in the latter, Holmes supported this action and stated that the polemical tone of the draft reply was "not only likely to be unacceptable to British and French but also would furnish Soviet unique opportunity to exploit it propaganda-wise." He also suggested the preparation of another, less tendentious version for tripartite consideration. (396.1/11-2750 and 2850)

public opinion, providing the substance of our position not thereby altered.

4. You are correct in your interpretation contained final sentence fourth para Paris 3002 that proposed reply represents turn-down of this specific Sov proposal coupled with declaration our willingness have exploratory talks. In our view there is no public demand for CFM meeting as such or on specific question Germany. Rather what public demand may exist appears reflect anxiety that no doors be slammed in Sov face and that way be left open for discussion with Sovs all questions affecting internatl peace and security. We do not feel that Sovs can obtain striking propaganda advantage by our refusal to agree CFM meeting when at same time we are suggesting exploratory talks with a view to examining whether there exists a reasonable basis for more formal discussion of certain problems.

5. We do not see any difficulty in referring to Syrian-Iraqi Resolution as it was carefully drawn to provide maximum flexibility and in its wording calls on the permanent members of the Security Council to meet and discuss "collectively or otherwise, etc.". Thus a meeting of any combination of the powers in question is appropriate under its terms. Moreover we see definite advantage in our public offer of compliance with this recent unanimous GA resolution.

6. In essence then, Dept's position is that specific Sov proposal shld be turned down while at same time three powers make the specific counter proposal to explore with the Sovs the possibility of finding a mutually acceptable basis for a more formal discussion of certain outstanding issues. Concerning final para reftel we do not consider proposed text definitive but we believe that in general the line taken therein is the appropriate one.

ACHESON

396.1/11-2950 : Telegram

The United States High Commissioner for Germany (McCloy) to the Secretary of State

TOP SECRET PRIORITY FRANKFORT, November 29, 1950—8 p. m.

4499. Deptel 3835, November 24.[1] Re proposed text of note in reply to Soviet note of November 3 and Paris comments in Paris 3002, November 27 to Department,[2] I feel strongly, and assume Department agrees, that events in Korea of past 48 hours have changed whole aspect this question.[3] If situation there is as reported, it seems com-

[1] Not printed.
[2] Not printed, but see footnote 2, *supra*.
[3] For documentation on the military actions by the Chinese Communists and the retreat of United Nations forces in Korea at the end of November, see vol. VII, pp. 1237 ff.

pletely unrealistic to reply to Soviet note mainly in terms of German question. In view reported full scale Chinese Communist intervention in North Korea, whole world including Germany recognizes danger of world-wide conflict with Soviets and fact that any meeting with Soviets at this time must deal with focal point of conflict.

In this situation, I do not believe we can afford to risk creating impression of rejecting any Soviet offer for high level discussions and I believe we should suggest that Soviet proposal for meeting be broadened to deal first with this most urgent question and then with limited number of other important issues including Germany. Since SC and Assembly are, however, handling the new aspect of Korean war, any direct talks with Soviets should not conflict with this UN procedure. To avoid this insofar as possible, we could suggest that they be of exploratory character under UN aegis and of nature suggested in last paragraph Deptel 3835.[4]

Our note should be brief and directed primarily to pointing out that any discussion at this time should deal with fundamentals and not the incidents of present world tension, as world peace is now seriously compromised by Communist action. With respect to specific Soviet proposal for CFM meeting limited to German rearmament, note might briefly express our concern over Soviet actions in Germany which contrary to Potsdam agreement have had effect of remilitarizing Soviet zone; our view that even with respect to Germany this problem is only one part of problem of securing satisfactory settlement; that while we have always been ready to meet with Soviets to discuss such outstanding issues, as record clearly shows, we feel that in light of far more serious situation that exists today in Korea, where Chinese Communist troops are engaged in full scale war with forces of the UN, it would be unrealistic to call together CFM solely for limited purpose suggested by Soviet Government.

Note could then propose procedure along lines of last paragraph of Department's draft note revised to make clear what "certain outstanding issues" are envisaged. Reference to any Assembly resolution calling for discussion by "permanent members of SC" could be omitted as suggested by Paris telegram under reference.

In suggesting note of this nature I am, of course, mindful of what was always one of important purposes of any reply to Soviets, namely propaganda effect in Germany. I appreciate that drafters of note proposed by Department had this in mind in their careful and comprehensive draft. In light of new developments in Korea, I doubt, however, whether this type of note would have effect on German public opinion now that it might have had prior to these developments.

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[4] It suggested that preliminary discussions take place at the United Nations through representatives of the four powers to see "whether there exists a mutually acceptable basis for reaching a settlement of certain outstanding issues." (396.1/11–2450)

As you know both Adenauer and Schumacher publicly on November 8, in Bundestag debate, have expressed hope any reply to Soviet note would be coordinated with Germans. Therefore, at some stage, I suggest authorization can be given to discuss German aspect with both Adenauer and Schumacher. I feel this is important in view of touchy political situation here.

Department pass Moscow. Repeated info priority Paris 428, London 357, Moscow 60.

McCloy

396.1/12–150 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

TOP SECRET PRIORITY Moscow, December 1, 1950—5 p. m.

1124. Frankfort's telegram 4499, November 29. In light developments in Korea Embassy believes with Frankfort that it is essential to [widen?] reply to Soviets from German question to Far East where essence of conflict between Communists and free worlds is now engaged.

At same time we concur with Department's views (Deptel 2985 to Paris, November 29) in that tenor of response should be primarily refusal of proposal in absence any evidence Soviet purpose is other than for propaganda advantage toward delay of western defense.

We would suggest, therefore, that substance of Department's draft detailing record of Soviet actions, particularly in regard to Austria, and inconsistency therewith of Soviet pretensions of peaceful intent should be largely retained for public effect instead of briefer approach suggested by Frankfort. Following that exposition, we believe note should include reference to Soviet veto of six power resolution on Korea as further indication that Soviets are not disposed to contribute toward peaceful solution of principal danger existing today. Along lines of last paragraph of Department's draft, note would then conclude that while a CFM under Potsdam apparently is neither possible nor most urgent current problem, the US will be prepared to explore with British, French and Soviet Governments possibility of discussing Korean situation and such other world problems as Germany, including demilitarization thereof within the framework of the Iraqi-Syrian resolution.

It seems to us that such an offer would keep the door to negotiation open as is obviously desirable but would be wholly realistic in light of current conditions and would still maintain on Soviets onus for noncooperation which as we see it, is only means of maintaining our initiative and assuring that in any discussions which eventuate Soviets make substantive contribution to satisfactory solutions.

Department pass London, Paris, Frankfort. Sent Department 1124, repeated info London 207, Paris 237, Frankfort 149.

KIRK

396.1/12–450 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

TOP SECRET PRIORITY PARIS, December 4, 1950—2 p. m.

3125. Our immediately following telegram contains a first draft of possible reply to Soviet note as promised in telecon.[1] This text which is designed to indicate type of approach we have in mind can obviously be refined and improved in drafting if general line of approach is acceptable.

Following observations we believe will help clarify what we had in mind in drawing it up in this manner:

1. Since the central Soviet purpose is to divide and confuse the West, our efforts must be directed to frustrating this purpose. The chief danger of its success in our opinion lies in the different climate existing Western Europe (including the UK) and that as we understand it in the US. The chief task, therefore, of tripartite talks will be to reconcile the different reactions which could be expected in these two fields of public and political opinion.

2. The present draft differs from that of Department's primarily in:

(*a*) Asserting after acknowledgment our positive adherence to the principle of negotiation;

(*b*) Being somewhat more selective in rejecting the basis proposed in Soviet note and,

(*c*) Introducing in the light of Korean developments the chief threat to world, i.e., intervention of Chinese Communists.

3. We have avoided specific reference to Syrian-Iraqi resolution or to duties of Four Powers as permanent members of SC since we still feel despite the qualification "of collectively or separately" that the intent of that resolution was not to exclude completely any permanent member of the SC.

4. We have avoided any detailed accusations against the Russians on grounds of violation of Potsdam for reasons indicated in telecon in order to avoid possibly digging ourselves in on basis of fidelity to terms of Potsdam re demilitarization of Germany.

In view of importance of the state of American public opinion which we are in no position to judge and which will be a powerful factor in determining our attitude on this question, we think it might be well to consider sending to Paris for these talks some Departmental officer (possibly Reinhardt[2]) who would be able to give us an estimate of US public reaction on this subject.

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[1] The telecon message under reference here has not been identified further.

[2] Presumably a reference to G. Frederick Reinhardt, Director of the Office of Eastern European Affairs.

British Embassy has informed us that they will not be ready to start discussions here until Thursday.

Department pass Moscow. Sent Department 3125; repeated info London 763, Moscow 109, Frankfort 355.

BRUCE

396.1/12–450: Telegram

The Ambassador in France (Bruce) to the Secretary of State

TOP SECRET PRIORITY PARIS, December 4, 1950—2 p. m.

3126. Embtel 3125. Our draft of possible reply to Soviet note follows:

Begin verbatim text: The Embassy of the USA has the honor to acknowledge the receipt of the note of November 3, 1950 of the Soviet Minister of Foreign Affairs, which enclosed the text of the Prague Declaration and proposed calling the Council of Foreign Ministers of the USA, UK, France and the USSR to consider the question of fulfillment of the Potsdam Agreement regarding demilitarization of Germany.

The US Government, together with the Governments of the UK and France, has consistently abided by the principle set forth in the Charter of the UN that international problems should be settled by peaceful negotiation. The US Government takes this occasion to reaffirm its adherence to this principle and is, therefore, prepared on the basis and in the manner set forth below to explore with similarly authorized representatives of the Soviet, British and French Governments the possibility of a mutually acceptable basis for a meeting of the Foreign Ministers of the four countries.

The US Government finds it necessary to state, however, that the Prague Declaration does not constitute a basis for a meeting of the CFM. The Prague Declaration contains so many inaccuracies and direct distortions of fact in regard to the responsibility for the present situation in Germany as to be completely unacceptable as a basis for negotiation. Furthermore, it should be noted that aside from its propaganda distortions, the Prague Declaration proposes no new and constructive approach. Indeed, it appears to be a mere restatement of the proposals which the Soviet Foreign Minister put forward at the last meeting of the CFM in May–June 1949 and which proved, after exhaustive examination, to afford no basis for a constructive agreement on the question of Germany. The discussion at that meeting in fact raised serious doubts as to whether these positions now restated in the Prague Declaration and supported by the Soviet Government were ever designed to promote such an agreement.

The US Government considers it necessary to point out that past meetings of the CFM devoted to the subject of Germany have made it plain that it has been the position of the Soviet Government that has prevented any Four Power agreement on this subject. It would appear necessary, therefore, to ascertain in advance whether or not there has been any change in the Soviet attitude towards Germany which in the past has obstructed any solution.

Although questions relating to Germany and Austria would obviously be proper subjects for discussion, the US Government, while recognizing that the agreement establishing the CFM assigned certain definite tasks to that body, believes that developments in the world make it unthinkable to confine a meeting of the Foreign Ministers of the Soviet Union, the UK, France and the US at this time to those subjects alone. For the Foreign Ministers of the Four Powers to meet without reference to the major events threatening the peace of the world today would be quite incompatible with their responsibilities before the peoples of the world.

The US Government, therefore, suggests that if the exploratory conversations referred to above should reveal that there exists a fundamental and an acceptable basis for a meeting of the CFM, no subject should be excluded from the agenda on the sole grounds that it is not within the terms of the Potsdam Agreement setting up the CFM. A refusal, for example, to agree to consider the serious threat to world peace resulting from the defiance of the UN by the North Korean regime and the military intervention of the Chinese Communists would not correspond to a genuine desire to contribute to the peace and security of the world which in present circumstances is the chief justification for a meeting of the Foreign Ministers of the four countries.

The US would appreciate an early reply to this communication and if the basis suggested for exploratory conversations is acceptable to the Soviet Government the US is prepared to authorize its representative at UN headquarters to enter into immediate conversations with the representatives of the Soviet Union, France and the UK. *End verbatim text.*

Department pass Moscow. Sent Department 3126, repeated info London 764, Moscow 110, Frankfort 356.

BRUCE

396.1/12–750 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

TOP SECRET NIACT PARIS, December 7, 1950—8 p. m.

3239. Tripartite conversations began this evening on preparation reply to Soviet note re CFM. Discussions were informal and opened with each delegation setting forth the general attitude of its government which with certain differences as to the exact purpose of Soviet maneuver revealed a large measure of agreement and complete identity as to main objectives we were seeking to accomplish in reply. It was agreed that purpose of this meeting was solely to attempt to draw up text of reply to Soviets and larger questions of policy would not be discussed since that was up to Ministers in view of conversations in progress Washington, London, and New York.

French proposed with British agreement that note should be identical rather than concerted in order to avoid Soviet exploitation of

possible shades of difference in texts. We tentatively agreed and will proceed on this basis at tomorrow's meeting unless Department perceives objection.

It was agreed that: (1) there must be identity of approach; (2) no impression of outright refusal of principle of negotiation; (3) narrow basis of Soviet note is completely unacceptable; and (4) reply must be drafted bearing in mind necessity obtaining maximum favorable effect on world public opinion.

We presented text of draft amended in line with Deptel 3118, December 6,[1] and British likewise presented text that was longer and went into greater detail on German aspect of problem in specific answer to the Praha declaration. It was agreed both drafts will be studied and we shall reconvene tomorrow afternoon in order to prepare joint draft which will be telegraphed. (We are not telegraphing British draft as its substance is largely similar to our own.)

Parodi stated French had reservations on insistence conclusion Austrian treaty (which was stressed in British draft note). Since Schuman has doubts as to consequence withdrawal troops from Austria in light present situation, French also feel that insistence from West on Austrian treaty might give Soviets grounds for exacting concession elsewhere. This subject of Austria will be discussed tomorrow. British tell us that Bevin personally had very strong feeling with regard to Austria and we pointed out the great difficulty of a CFM meeting with pointed omission Austria.

French also had doubts as to wisdom of formal preparatory talks at Lake Success or elsewhere although they agreed preparation is necessary.

Since obviously impossible to exclude Austria, we do not anticipate much difficulty on this point, but would appreciate expression Department's views on exploratory discussions and in particular whether we feel strongly on using representatives at UN for this purpose possibly as against diplomatic channels.[2]

Department pass Moscow. Sent Department 3239; repeated information priority London 789, priority Moscow 115, priority Frankfort 370.

BRUCE

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[1] Not printed: it authorized Embassy Paris to use its draft (telegram 3126) as a basis for discussion subject to the following exceptions: avoidance of reference to Korea or Far Eastern problems, elimination of reference to assigned tasks for CFM, discretionary power to leave out references to the Syrian–Iraqi resolution, revision of the final paragraph to allow the Western powers a free hand in naming their representatives to the exploratory talks. (396.1/12–650)

[2] In telegram 3149, December 7, to Paris, not printed, the Department of State agreed that identical notes were preferable and exploratory talks desirable. New York provided a convenient place for such discussions and the Governments could use their U.N. representatives or not as they desired. (396.1/12–750)

Editorial Note

In a subsequent meeting on December 8, the representatives of the United States, United Kingdom, and France drafted an agreed tripartite text working from the amended U.S. text, a British draft, and French amendments to both. This draft was transmitted to the respective governments which offered various changes and amendments. The United States, in particular, was concerned that the draft would lead too quickly to a meeting of the Council of Foreign Ministers without adequate preparations. On December 11 a new draft was drawn up based on these considerations and again submitted to the governments, which proposed another series of changes. The United States wanted the British and French to understand clearly that the note was not a commitment to holding a meeting of the Council of Foreign Ministers for this would depend on the outcome of the exploratory talks with the Soviet Union.

Subsequent meetings in Paris could not resolve these differences and the question was referred to the Foreign Ministers at the sixth meeting of the North Atlantic Treaty Council in Brussels, December 18–19. Documentation relating to the negotiations in Paris is in file 396.1. For the record of the Foreign Ministers discussion of the proposed reply, see the United States Delegation minutes, page 803.

Editorial Note

On December 15, the Soviet Ministry of Foreign Affairs called in the British and French Ambassadors and handed them similar notes protesting "violation" of the Soviet Union's treaties with the United Kingdom and France, dated May 26, 1942 and December 10, 1944, respectively, by rearming Germany and entering into a coalition against the Soviet Union. For a translation of the note to the French, see Margaret Carlyle (ed.), *Documents on International Affairs, 1949–1950* (London, Oxford University Press, 1953), pages 179–182; the Russian texts of both notes are printed in *Veshniaia politika Sovetskogo Soiuza, dokumenty i materialy, 1950 god* (Moscow, Gospolitizdat, 1953), pages 267–273 and in *Izvestiia*, #297, December 17, 1950. The British and French collaborated on the text of a reply to this note which was delivered on January 5, 1951. For its text and those of further exchanges with the Soviet Union on the same question during 1951, see Denise Folliot (ed.), *Documents on International Affairs, 1951* (London, Oxford University Press, 1954), pages 321 ff. Documentation on these exchanges is in files 396.1, 740.5, and 741.00.

662.0029/12-2150 : Telegram

The Secretary of State to the United States Mission at the United Nations

TOP SECRET WASHINGTON, December 21, 1950—2 p. m.

605. Confirming Bloomfield-Winslow telecon,[1] fol for ur background info is agreed text of note replying to Sov note of Nov 3 proposing CFM on the militarization of Germany. It is planned to deliver note in Moscow by reps Fr, Brit and US Govs on Fri Dec 22 approx 5 pm Moscow time. Text of our note will be released to press in Washington approx 12 hours after delivery, i.e., around 10 pm Washington time. Until release to press contents note shld be kept strictly secret. FYI contents of note have been communicated on confidential basis to all NATO Govs, Germany, Austria and Canada.

Begin text.[2] 1. The Emb of the USA has the honor to acknowledge the receipt of the note of Nov 3, 1950 of the Sov Min of Foreign Affairs. This note enclosed the text of a declaration published in Prague Oct 22, 1950 and proposed a meeting of the Council of Foreign Mins of the US, UK, France and the USSR to consider the question of the fulfillment of the clauses of the Potsdam Agreement regarding the demilitarization of Germany.

2. The US Gov has consistently abided by the principle set forth in the Charter of the UN that internatl problems shld be settled by peaceful negotiations. The US Gov takes this occasion to reaffirm its adherence to this principle. This is in full accord with the spirit of the recent GA resolution supported by the US Gov which calls attention to the desirability of consultations which wld help to allay existing internatl tensions. Far from having any aggressive intentions towards the Sov Union, it is inspired by a genuine desire to put an end to the exising internatl tension and will spare no effort to achieve so highly desirable an end. It is prepared on the basis and in the manner set forth below to explore with the Sov, Brit, and French Govs the possibility of finding a mutually acceptable basis for a meeting of the Fon Mins of the four countries.

3. The Gov of the US has studied with care the note of the Sov Gov of Nov 3, 1950. It has been obliged to note with regret that the basis proposed in this note is not such as to afford any prospect of a genuine settlement. The Sov proposal to examine the question of the demilitarization of Ger will not suffice to remove the causes of the present tension. The only Ger military force which exists at present is that which for many months in the Sov Zone has been trained on military lines with artillery and tanks. If the participation of Ger units in the defense of western Ger is being discussed, it is solely because Sov policy and actions have compelled the other nations to examine all means of improving their security. Contrary to the entirely false allegations contained in the Prague communiqué, the US

[1] No record of this telecon has been found in the Department of State files.

[2] The text printed here was agreed to by the Foreign Ministers on December 19 at their meeting in Brussels and was transmitted to Moscow on the following day. For the minutes of the Foreign Ministers discussion of the note, see p. 803.

Gov in common with the govs of France and the UK is determined never to permit at any time or in any circumstance western Germany to be used as a base for aggression. The US Gov has no feeling of confidence that the same is true of that part of Ger under Sov occupation, in view of the rearmament taking place in eastern Ger referred to above.

4. It is furthermore impossible to envisage a just settlement of Ger problems on the basis of the Praha communiqué. This communiqué contains no new or constructive feature and the solution proposed therein has been rejected by the majority of Ger opinion. It does little more than reiterate in substance previous propositions which proved after exhaustive examination to afford no basis for a constructive solution of the Ger problem. For the purpose of ending the present division of Ger, the US Gov in conjunction with the French and Brit Govs has for its part more than once made proposals for restoring Ger unity by means of free elections held under internatl supervision. These proposals were sent by letter by the three High Commissioners to the head of the Sov Control Commission on May 1950 and Oct 9, 1950.[3] No reply has been made to these letters.

5. The serious tension which exists at present springs neither from the question of the demilitarization of Ger nor even from the Ger problem as a whole. It arises in the first instance from the general attitude adopted by the Gov of the USSR since the end of the war and from the consequent internatl developments of recent months. The govs of the four powers wld be failing in their full responsibility if they were to confine their discussion to the narrow basis proposed by the Sov Gov. Questions related to Ger and Austria wld obviously be subjects for discussions. But the US Gov believes that any discussions shld include equally the principal problems whose solution wld permit a real and lasting improvement in the relations between the Sov Union and the US, Gr Brit and France and the elimination of the causes of present internatl tensions throughout the world.

6. The US Gov is prepared to designate a rep who, together with reps of the Sov, Brit and French Govs wld examine the problems referred to in the preceding para with a view to finding a mutually acceptable basis for a meeting of the fon mins of the four countries and recommend to their govs a suitable agenda. It wld appear that the presence of reps of the above-named govs at the seat of the UN in New York presents the most convenient opportunity to conduct such exploratory discussions.

7. The US Gov wld appreciate receiving the views of the Sov Gov concerning the proposals set forth in the present note. *End text.*[4]

ACHESON

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[3] For the text of the May 25 letter to General Chuikov, see telegram 121, May 25, p. 641; regarding the October 9 letter, see telegram 2791, October 3, p. 663.

[4] In telegram 1233, December 22, from Moscow, not printed, Kirk reported that the identical notes had been delivered to Gromyko by the respective Chargés at the time requested. (396.1/12-2250)

396.1/12-2550

Memorandum by the Ambassador at Large (Jessup)[1]

TOP SECRET WASHINGTON, December 23, 1950.

EXPLORATORY TALKS WITH SOVIETS

PROBLEM

To determine the most useful tactics in exploratory talks with the Soviets if they accept the suggestion of the three Governments.

DISCUSSION

The attitude of the French and British in the preliminary talks in Paris before the Brussels meeting indicated that they both were willing to attend a CFM even though there were no prior indication of Soviet willingness to agree upon any acceptable solution of any outstanding problem.

The U.S. refused to commit itself to a CFM unless exploratory talks indicated some Soviet willingness to enter upon talks which would justify the participation of the Foreign Ministers.

At Brussels, Mr. Schuman and Mr. Bevin agreed with the Secretary upon the U.S. thesis. However, it can be anticipated that they will tend to accept rather readily any arrangement which will make a CFM possible. The U.K. is reluctant to accept the idea that talks at the "official" level can consider important questions of substance. The French seem ready to make the gesture of starting ministerial talks to satisfy their public opinion even though no satisfactory basis is laid. They both may be expected to take in the exploratory talks what we would consider a "soft" attitude.

The standard Soviet technique is to enter upon negotiations with a rigid insistence upon their own position and a refusal to consider even a compromise with their adversaries' position. They seem to count upon the Western tendencies to be "fair"; to be impatient; to yield to the pressure of public opinion which demands "results" from such negotiations.

The Soviets would have strong reason to believe that the Western powers themselves consider that they are leading from weakness and that they are prepared to make concessions to avoid war. They would expect to enhance such tendencies by prosecuting the "war of nerves".

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[1] The source text was an attachment to a memorandum from Jessup to Secretary Acheson, dated December 25, not printed, which noted that it "had been approved by Mr. Matthews and the other officers who have been studying this problem." Jessup proposed to have a preliminary talk with Ambassador Franks along these lines if the Secretary approved it. On the memorandum was the handwritten notation: "I approve the recommendations D[ean] A[cheson]". (396.1/12-2550)

Actually the Western position, in terms of basic Soviet estimates, is one of strength. The Soviets are fully cognizant of the productive power of the United States and admire it. They are impressed by the results of our effort in World War II and have not forgotten the recovery we made after Pearl Harbor. If they do not launch World War III now it may be because they realize better than we admit the basic strength of our position and because they believe our allies can be split and our position softened by the war of nerves.

There are two contrasting tactics which could be used in the exploratory talks with the Soviets.

1. We could start with a clear understanding among the British, French and ourselves of the subjects which we would be willing to have on the agenda of a CFM. For illustrative purposes we might assume these would be Germany and Austria. We could argue with the Soviets against taking the Prague declaration as a basis and insist on including merely such items as "The German Problem" and "The Austrian Problem". In accordance with precedent, we might agree on a statement that "The Agenda will include such other items as the Ministers agree upon when they meet."

Such an approach would probably be satisfactory to the British and French. It would not involve any real advance probing of Soviet intentions and would probably lead to the holding of a CFM at an early date upon terms which would give the Soviets substantially what they asked for in their original proposal. Such a development would not be in accord with the essence of the position taken by the Secretary at Brussels. It would still leave open the possibility of endeavoring at the CFM to build a record for possible propaganda exploitation of Soviet unwillingness to discuss many causes of tension.

2. We could as an alternative begin the exploratory talks with the tactics commonly employed by the Soviets. This would imply appearance of rigidity and the immediate airing of a list of questions in regard to which Soviet conduct or positions have been unacceptable to us. By way of illustration it might be suggested that we insist that an agenda item on the German question must include such matters as the eastern frontiers, a land corridor to Berlin, return of German POWs, etc. We might also insist that the agenda include items such as the violation of the Bulgarian and Rumanian Peace Treaties with respect to human rights and the limitation of the armaments of those countries. We could bring up such clearly non-negotiable subjects as the international subversive activities of the Cominform or the restoration of the democratic government of Czechoslovakia. We would take the offensive and raise one after the other a long series of issues, many of which have previously been argued with the Soviets and on which we have received no satisfaction.

Such tactics would presumably involve some discussion of substance and might well lead to prolonged argument with the Soviets. They would require long drawn-out exploratory talks requiring the kind of patience we have not usually displayed in such negotiations. They would probably meet with French and British resistance which would have to be overcome as it was when the Security Council "neutrals"

endeavored to solve the Berlin case at Paris.[2] Such tactics might or might not lead to a CFM which would have some chance of being productive of results. Even if it eventually resulted in agreement on a CFM agenda which included only such items as "The Problem of Germany" and "The Problem of Austria", it might give the Soviets the idea that we were not in a mood to capitulate or that we felt we were in a weak position. It might lay the groundwork for strong positions in the CFM itself.

If there has been preliminary discussion of substance in the exploratory talks, we would be in a better propaganda position to break off the CFM when it was apparent that the Soviets were unwilling to reach a settlement. A "White Paper" or other publication could reveal the Soviet intransigence.

If the Soviets are willing to reach agreement on any issue on a basis acceptable to us, we are more likely to reach such agreement through aggressive than through soft tactics.

It would be possible while the four-power exploratory talks are in progress to attempt private conversations with the Soviets to feel out any possible basis of agreement on any specific questions or on any general issues. Opportunities for such private conversations should not be disregarded because of fear of French or British susceptibilities.

RECOMMENDATIONS

1. We should approach the exploratory talks and, if it eventuates, a CFM, with the belief that their value lies in *a*) gaining time; *b*) propaganda advantage; and *c*) convincing the Soviets that we are determined and confident. We should not be sanguine of reaching any real settlements although we should always seek them.

2. We should adopt as tactics the line indicated under 2 above on the ground that such tactics would best contribute to *a*), *b*) and *c*) under paragraph 1.

3. We should try to persuade the British and French of the soundness of this approach and should not give in to any evidence of "softness" on their part.

4. If necessary we should insist on following our approach in the exploratory talks with the Soviets, laying plans in advance to meet adverse public opinion reaction perhaps stimulated by French and British lines to the press.

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[2] For documentation on the Berlin case before the Security Council of the United Nations in the fall of 1948, see *Foreign Relations*, 1948, vol. II, pp. 1197 ff.

396.1/12-2850

Memorandum of Conversation, by the Ambassador at Large (Jessup)

TOP SECRET WASHINGTON, December 28, 1950.

Participants: Sir Oliver Franks (British Ambassador)
Ambassador Philip C. Jessup

I called on Sir Oliver Franks at six o'clock last evening and told him that I should like to talk with him very informally in order to give him some of our thinking on the ways in which we should prepare to get things lined up for talks with the Soviets in case they accepted the tripartite position. I then outlined the appropriate parts of the memorandum of December 23rd entitled "Exploratory Talks with the Soviets" which was approved by the Secretary yesterday.

Sir Oliver then proceeded to discuss the situation and indicated very general agreement with our approach. On the question of tactics in arguing with the Soviets, he said he assumed one should never put a proposition to them on the ground that it was fair or reasonable or moral since they do not talk to each other that way and these considerations do not affect their decisions. It seemed to him that their method of discussion is like that the Byzantine Scholiasts who argued entirely from glosses on a text, never varying the text but going on from gloss to gloss. Similarly, the Soviets never admit they have changed their basic position but merely proceed to argue that their current view is consistent with that which they have always maintained. He thought we should be able to force them into reinterpretations and explanations which might be to our advantage. He agreed that we always had the problem of facing public pressure for results but thought this might be taken care of through appropriate public information programs. In his opinion the Ministers, if a CFM is held, would have to be prepared to sit through as much as three months of meetings. The public pressure might be intense for the first week or two but might gradually subside as they got accustomed to the idea that the talks were going on and on. He thought it would be important in preliminary conversations with the French and ourselves to rehearse the tactics which would be used in discussions with the Soviets.

He then went on to comment on some of the basic difficulties of the international situation pointing out that we were dealing with a revolutionary government which was still in the early stages of the revolution. It was so far only about thirty years old and probably would have a hundred years in which to run its full course. As a revolutionary government, it is ready to take advantage of a condition of struggle and is able to exploit such condition. We on the contrary consider this condition an undesirable one and seek to terminate it. He does not believe that they are prepared to begin a war at this

time since, if they were planning to launch a war tomorrow, one could not see why they had not launched it yesterday. In spite of their situation with a condition of struggle, they might feel that the temperature was now going up too fast and they might feel it was useful to do something to reduce it. When one came to consider the possibility of any tangible settlements, one could see in the situation a possibility of their agreeing on some relatively minor points but not on a point of prime importance. The point of prime importance is Germany. Neither we nor they would be prepared to give up the struggle for the German soul. He had toyed with the idea of an arrangement whereby the Russian armies would not only get out of Germany but would withdraw behind the Pripet Marshes. Certainly the withdrawal of the Russian armies from the heart of Europe would create a great feeling of relief in Western Europe. He assumed that in such circumstances we would have to take our troops also out of Germany but he did not elaborate where they might be stationed. He considers both the German and Japanese situations to be ones in which it may take fifty years to build up again conditions which were destroyed by the war and which had themselves been fifty years in the building. Aside from the question of the ties which may exist between Peiping and Moscow, nationalism in China and throughout Asia will be an additional problem which will confront us for a very long period of time. He agreed with the statement I made that we do not need to consider ourselves as being in a position of complete weakness and that in any case so far as our posture in dealing with the Russians is concerned we must assume that we have elements of strength in this long struggle.

Sir Oliver said that he would like to write a letter to Mr. Bevin in which he would refer to our talk and express his own views. He asked whether I could send him a paper which would embody the thoughts which I had expressed. He would not expect to transmit this paper but would treat it merely as for his personal use and in writing to Mr. Bevin would merely refer to impressions which he got from our conversation. I told him I would be glad to send him such a paper.

Sir Oliver indicated that he did not expect to be designated to take any part in the negotiations with the Russians.

PHILLIP C. JESSUP

Editorial Note

At 11:50 p. m. on December 31, the United States Embassy in Moscow received, in reply to its note of December 22, a Soviet note the text of which was released to the press by the Soviet Government on January 2, 1951. For a translation of this note and further documentation on the negotiations leading to the Four-Power Talks at Paris, March 5–June 21, 1951, see *Foreign Relations*, 1951, volume III.

INTEREST OF THE UNITED STATES IN THE STATUS OF THE SAAR

762A.022/1–1750 : Telegram

The United States High Commissioner for Germany (McCloy) to the Secretary of State

SECRET FRANKFORT, January 17, 1950—noon.

436. Reference third paragraph mytel 160, January 7.[1]

In conversation with Riddleberger[2] January 14 at French reception for Schuman, Adenauer stated his great concern over French intentions regarding Saar and his fear of strong reaction in Germany which might endanger his entire policy of Franco-German *rapprochement*. Yesterday I had opportunity of discussing Saar with Schuman who indicated French intention to conclude 50-year leases on Saar mines and to effect certain "administrative changes" irrespective of German opposition. Administrative changes in question are not entirely known to us but apparently will involve changing Office of French Commissioner in Saar to some kind of Legation plus certain other arrangements of which we are not informed. I told Schuman that conclusion of 50-year leases would in my opinion pre-judge final settlement of Saar status in view of their long-term nature, although I understood that if French were willing to give certain assurances to Adenauer that ultimate destiny of Saar would be established by peace treaty. Schuman, though evasive on 50-year aspect of leases, repeatedly emphasized fact that any arrangements now made would be subject to review at time of peace treaty.

I have just learned from German sources in Bonn that at two-hour interview between Adenauer and Schuman late yesterday French continued to be somewhat evasive regarding their precise intentions but did indicate that they would go ahead with mine leases and administrative arrangements regardless of German position. I understand that Schuman stated that these long-term leases would not prejudge ultimate settlement but Germans, of course, are far from satisfied with this assurance.

French explanation of why this action is taken as present time, as given to us yesterday in Bonn, is to effect that rise of Gaullist sentiment in France is now so strong that Schuman is compelled to take

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[1] Not printed: in it McCloy reported that in a conversation on January 5 Chancellor Adenauer had (*a*) indicated that he intended to make a strong protest to Foreign Minister Schuman on the proposed leasing of Saar mines to French interests, and (*b*) asked for United States intercession to prevent such leasing. McCloy also stated his view that the proposed leasing would run counter to the frequently-stated United States position that no decisions would be taken regarding the Saar until a final peace treaty with Germany, and he reported that Sir Brian Robertson, the British High Commissioner for Germany, had expressed similar concern to the Foreign Office. (762A.00/1–750)

[2] James W. Riddleberger, Director of Political Affairs in the Office of the United States High Commissioner for Germany.

these steps regarding Saar. While I cannot judge internal French pressures from here and, making allowance for Adenauer's propensity to overplay his local sentiment, I do regret this action at this time as it is certain, in my opinion, to make policy of *rapprochement* more difficult of fulfillment. Adenauer has just urgently requested to see me before any departure for US and I plan to have an interview with him within next few days at which time I expect to have fuller account of his interview with Schuman.[3]

In press interview in Bonn yesterday, Schuman is reported to have stated that French Government has decided to continue with its Saar policy and that conversations with Adenauer will not influence this decision, although he admitted that "peace treaty would be all-powerful".

Sent Department 436; repeated Paris 17, London 7.

McCloy

[3] In telegram 554, January 19, from Frankfort, not printed, McCloy reported on his interview with Adenauer regarding the Saar question. Adenauer, who was "obviously greatly stirred up over French plan", indicated that the Bundestag would refuse Federal participation in the Council of Europe if something was not done about the proposed French plan, and he made three specific points: (*a*) the French should be persuaded that the timing of their action was bad and the United States and the United Kingdom should try to win more time for an eventual settlement, (*b*) direct and informal conversations should be proposed between France, the Saar, and the Federal Republic of Germany, and (*c*) nothing should be done contrary to the will of the Saar population. (762A.002/1–1950)

762A.022/1–1850 : Telegram

The Chargé in the United Kingdom (Holmes) to the Secretary of State

SECRET

London, January 18, 1950—6 p. m.

282. Kirkpatrick[1] called me to Foreign Office this morning to give me latest British thinking re Saar. He said [he] had reviewed British position on matter since Bevin's statement at 18th meeting Moscow CFM of March–April 1947[2] and had come to conclusion that present French proposals not inconsistent with this and subsequent commitments given them by UK. (List of such commitments being air pouched.) McNeil[3] shared this view and had just instructed him to call in Massigli[4] and speak to him along following lines.

(*a*) British trust French will refrain from any action that might prejudice German application for membership in Council of Europe.

[1] Sir Ivone A. Kirkpatrick, Permanent Under Secretary of State for the German Section of the British Foreign Office.

[2] Regarding Bevin's statement, see *Foreign Relations*, 1947, vol. II, p. 300.

[3] Hector McNeil, Minister of State, British Foreign Office.

[4] René Massigli, French Ambassador in the United Kingdom.

(*b*) Although not objecting in principle to French proposals British consider timing highly inappropriate and feel that French would lose nothing by letting matters rest as they are for time being.

(*c*) British do not concur in French view that Saar Government has legal right to lease coal mines. UK considers ownership vested in Reich and Saar authorities not empowered to dispose of Reich property.

(*d*) British also reject French thesis that 50-year lease would have no effect on terms of peace settlement.[5]

Kirkpatrick not sanguine that French will modify their plans in light these observations, and intimated that chances of success would be enhanced if we were to make similar approach. British apprehensive lest Saar attempt drive wedge between French and themselves. According Foreign Office guidance to press emphasizes fact that French technically justified in advancing present proposals.

Sent Department 282; repeated Paris 84; Frankfort 10.

HOLMES

[5] On January 24, Embassy London transmitted a memorandum of Kirkpatrick's conversation with Massigli, which developed along the lines indicated in the source text. Despatch 360, January 24, from London, not printed. (762A.022/1-2450)

Editorial Note

At his press conference on January 18, Secretary Acheson made the following statement on the Saar:

"We have taken the position under three Secretaries of State—Mr. Byrnes, Mr. Marshall, and myself—with the approval of the President in each case that the United States supports and will support the French position which is that the Saar should be detached from Germany and that it should be financially and economically integrated with France. The political future of the Saar is a matter which should be determined by the peace treaty which concludes the war with Germany. The American view on that has been that we would again support the French view which is that the Saar should have a certain degree of autonomy, and under that position, we have in the past supported the various actions which the French Government has taken. We all agree that the Saar should not be under the High Commission and that it is to be administered by the French Commissioner to the Saar. The French customs has included the Saar and it has been dealt with financially as part of the French financial system. The railways are operated in conjunction with French railways, and economically and financially, the Saar has been more or less integrated with the French financial system and the French economy. Now, so far as any particular moves such as leasing the mines are concerned, that is a matter which, whatever is done about it, would not prejudice questions which would await a peace settlement. In our view, of course, it would be very wise for the French, whatever action they take, not to take any action which would make difficult the relations between France and Germany or the

general integration of western Europe. I think our attitude toward the Germans would be that they must not take positions which rest upon the German view that they have no responsibility for the war, or that no consequences flow from the war. A great many do, of course."

McCloy reported the reaction of various leading Federal officials to this statement which indicated that West Germans generally and members of the SPD in particular would have no part in the Council of Europe. Telegrams 8 and unnumbered, January 20, from Bonn, neither printed. (762A.022/1-2050)

762A.022/1-2050 : Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfort

SECRET WASHINGTON, January 20, 1950—6 p. m.

460. Dept desires you to make clear to Gers US attitude on recent Saar devels and you shld therefore take early opportunity to explain this attitude to Adenauer as well as leaders of the other parties. Position stated by Sec at press conference means unequivocally that US supports and will support at time of peace settlement Fr claim that Saar shld be politically detached from Ger and financially and economically integrated with France. Actions taken meanwhile in Saar are regarded as provisional in sense that only a peace settlement can make them definitive. Moreover this over-all commitment does not provide carte-blanche as to detailed arrangements. We hope Ger leaders will recognize intent of Sec's statement of Jan 18 (Deptel 406 to Frankfort, rptd. London as 234, Paris as 246 [1]) was to give unmistakable support to Fr on basic principles this issue. Pls emphasize to Adenauer and other leaders that US is firmly committed to general Fr thesis and that recent Ger statements which tend to have increasingly nationalistic flavor and to be uncompromising in their assertion of rights to the Saar will be unproductive and unhelpful. Exact political status of Saar will not be fixed until peace settlement and extremist agitation meanwhile will only serve to worsen Franco-Ger relations to whose improvement both govts assert they are devoted. Ger leaders will not have failed to note the Sec's quiet reminder to them that certain consequences do inevitably flow from the war. Dept is fully aware of internal and foreign political factors which have impelled Gers to recent statements but they will be well advised not to exasperate Amer and other western opinion by too frequent assertion of their rights with no corresponding recognition of their responsibilities. You might refer to Sabath Res as indication of uneasy and critical attitude

[1] Not printed; it transmitted the text of Secretary Acheson's statement on the Saar. (752A.00/1-1850)

now pervading some sections of Amer and Congressional opinion.[2]

You will have seen Deptel to Paris 274, rptd. London, as 278, Frankfort as 461 [3] and you may in your discretion indicate to Adenauer and others that in view of the great importance we attach to good Franco-Ger relations and to closest possible cooperation of Ger with western Eur, we are losing no opportunity to urge upon the Fr a policy of moderation and caution in handling specific Saar problems.[4]

Have read your 554 Jan 19 (rptd London as 12, Paris as 23 [5]) with interest but do not consider situation altered by Adenauer's new expressions. We find it difficult to believe Bidault and Schuman gave him assurances Saar would not be polit detached as detachment has been continuous post-war Fr policy. Sec's phrase that mine leases "wld not prejudice questions which would await peace settlement" merely underlines our view that arrangements presently entered into are subj to review at peace settlement within framework of overall commitment.

ACHESON

[2] Under reference here is H.R. 425 introduced on January 12 in the House of Representatives by Representative Adolph J. Sabath, of Illinois, authorizing and directing the Committee on Foreign Affairs to investigate and study American military government and the civilian administration which succeeded it in Germany.

[3] *Infra.*

[4] In an interview with Adenauer on January 25, Maj. Gen. George P. Hays, United States Deputy High Commissioner, "explained with precision US attitude on Saar developments" and exercised the discretion given in this paragraph to inform the Federal Chancellor of the importance which the United States attached to good Franco-German relations. Adenauer then requested that Hays convey the "serious effect which a French decision to continue wholly along announced lines, and, particularly, fifty year leases for Saar mines, would have on the Bundestag." In commenting on the situation, Hays stated that the problem of the Saar would affect Allied unity and the work of the High Commission and recommended that it be considered on a tripartite basis either by the Governments or by the High Commission. Telegram 12, January 25, from Bonn, not printed. (762A.022/1–2350)

[5] Not printed, but see the first footnote 3, p. 928.

762A.022/1–2050 : Telegram

The Secretary of State to the Embassy in France

SECRET WASHINGTON, January 20, 1950—6 p. m.

274. Deptel 406 to Frankfort of Jan 18, rptd Paris at 246, London as 234.[1] Pls seek early opportunity to discuss Saar with FonOff. Position stated by Sec at press conference means unequivocally that US supports and will support at time of peace settlement Fr claim that Saar shld be politically detached from Ger and financially and economically integrated with France. Actions taken meanwhile in Saar are regarded

[1] Not printed; it transmitted the text of Secretary Acheson's statement on the Saar. (752A.00/1–1850)

as provisional in sense that only a peace settlement can make them definitive. Moreover, this over-all commitment does not provide carte-blanche as to detailed arrangements.

You shld indicate our feeling that any proposal looking toward long-term regulation of Saar econ or polit life, such as current Fr proposal to lease mines from Saar Govt on 50-year basis, is in view of provisional nature of Saar arrangements subj to consultation with Brit and ourselves. Dept therefore awaits formal Fr approach on this matter. You might indicate preliminarily that Dept has serious question as to present ownership of Saar mines and doubts whether ownership can be shown to rest with Saar Govt. Dept is glad to note from press accounts that Schuman feels any arrangement which might be made is provisional and subj to review at the peace settlement. In light of this attitude Dept feels it wld be advisable not to conclude any arrangement in terms which wld purport to run longer than time of peace settlement.

You shld point out to FonOff that US Govt has been at pains in this matter to give full support to basic Fr position on the Saar. US attitude has been based not only on our prior commitments but also on feeling that firm united front must be displayed to Gers on basic issues. Nevertheless, recent devels re Saar are disquieting to Dept and do not augur well for improvement of Franco-Ger relations on which any sound integration of Ger into western Eur must rest. In view of what Dept regards as pressing urgency of drawing Ger closer into western Eur community, US feels major decisions regarding Saar shld be taken most carefully on tripartite basis.[2] Since polit detachment of Saar from Ger is a fact and econ and financial integration with Fr seems very far advanced if not completed, Dept feels that it wld be much wiser on Fr side not to introduce new proposals which at present time can only be expected to excite nationalistic feelings in Ger, and thus retard improvement of Franco-Ger relations.

You may at your discretion tell FonOff that Dept is instructing HICOG to advise Gers to maintain a more flexible attitude on this question.

We note from London's 282 of Jan 18 that Brit are making somewhat similar approach to Fr. London pls ascertain whether Brit FonOff will also approach Gers along lines of Deptel 460 to Frankfort of Jan 20, Rptd Paris as 273, London as 277.

If you consider it desirable you may present these views to Schuman himself.

ACHESON

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[2] At this point in the source text the phrase "with view to minimizing irritant to Franco-Ger understanding" had been deleted before transmission.

762A.022/1-2450 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

SECRET PRIORITY PARIS, January 24, 1950—9 p. m.

352. For the Secretary.

1. I saw Schuman this afternoon.[1] Had long talk with him on Saar question and left him *aide-mémoire* embodying principal points set forth Deptel 274.[2] He discussed situation in general terms but said he wanted to study *aide-mémoire* carefully before committing himself specifically which he would do during course of week and while McCloy is still in Washington. He regards the date for conference with Saar authorities on February 7 as not subject to postponement but the negotiations themselves will require a long time to complete and could be deliberately lengthened out. He rejects possibility, however, of postponing full solution until question of German admittance to Council of Europe has been acted upon. Owing to British elections and visit of Auriol[3] to England on March 7 next meeting of Committee of Ministers will probably not take place before March 15. In this connection he was most emphatic that present disturbances over Saar had not and would not alter his desire and determination nor that of his Government to have Germany become an associate member of the Council. He felt its admission to the Council was a matter of great importance to Europe and a necessity to good Franco-German relations.

2. He was not willing to make any commitment at this time regarding tripartite discussion with US and Britain and said that he envisaged off hand considerable difficulty with his Government in having the other members of the Cabinet agree to such consultation even if he decided favorably on it. He considered the suggestion interesting and would reflect upon it and give us an answer concerning it. He said in this connection that he had taken in private conversations with Adenauer the position that the Saar mining leases lay solely within the jurisdiction of the French and Saar Governments.

3. As far as the term of lease is concerned, he said that the 50-year figure was one suggested by various technical experts; that it had

[1] In telegram 321, January 23, from Paris, not printed, Bruce had reported that he had asked for an appointment with Schuman to discuss the Saar (762A.002/1-2350). Harriman, McCloy, and Bruce had discussed the question on January 20 when McCloy passed through Paris on his way to Washington for consultations on Germany. They concluded there was no rise of Gaullist sentiment, nor did Adenauer's explanations have any validity, and felt that the "timing of their negotiations has been most unfortunate." Bruce recommended that the United States try to persuade the French to drag their feet and postpone the discussions with the Saar officials, and suggested a personal message from the Secretary to Schuman along these lines. (Telegram 302, January 21, from Paris, not printed, 762A.022/1-2150.)

[2] The text of the *aide-mémoire* was transmitted in despatch 79, January 25, from Paris, not printed (762A.022/1-2550).

[3] Vincent Auriol, President of the French Republic.

never received his approval nor had it been submitted to his Cabinet or to the Saar Government. He was not willing however to state that no lease would be entered into which would extend beyond the date of signing of a peace treaty. His reason for not being more specific in this regard was that he and the members of his Cabinet would have to give this matter serious consideration before he could express any definite views on it. Nevertheless he stated categorically that he had no intention of entering into any agreement with the Saar which did not specifically provide that such an agreement was in every respect subject to the provisions of an eventual peace treaty. In his two-hour private conversation with Adenauer (and his talks with other German political figures) he had made the immediately preceding point entirely clear and after he had done so Adenauer had appeared greatly relieved. He expressed disappointment over the attitude of German Government officials who he feels have deliberately misrepresented the situation in spite of his full and candid discussion of it during his visit there, and have incited a nationalist propaganda for political purposes. He believes that when the text is published of a Franco-Saar agreement embodying the saving clauses about its provisions being subject to final determination by a peace treaty the present excitement will be largely stilled.

4. He asked me to tell you that he was appreciative of your personal interest and concern in the subject and he expressed his thanks for your statesmanlike attitude regarding it.[4]

Sent Department 352, repeated London 113, Frankfort 57.

BRUCE

[4] In telegram 363, January 25, from Paris, not printed, Bruce reported his feeling that a generally negative reply to his *aide-mémoire* should be expected, and he suggested that it might "be to everyone's advantage to have negotiations concluded rapidly and get the question out of the way as quickly as possible rather than having them drag on, thereby keeping the matter in the public eye" (762A.022/1-2550).

762A.022/1-3050: Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfort[1]

SECRET NIACT WASHINGTON, January 30, 1950—8 p. m.

626. Personal for Hays. Amb Bonnet delivered during weekend Fr draft of proposed Fr-Saar agreement, which we understand has not as yet been made known to Saar officials. Text will fol by separate message.[2]

[1] Repeated to London for Holmes as 437 and to Paris for Bruce as 408.

[2] A translation of the preamble and principal articles of the draft agreement on the Saar coal mines was transmitted in telegram 641, January 31, to Frankfort (repeated to London and Paris), not printed. (762A.022/1-3150)

While document is still under study it is evident that present Fr position is not as alarming as expected or perhaps as it had actually been prior to recent expressions of concern. Document expresses Fr position that ownership of mines will be determined at Peace settlement but that their position at that time will be to support Saar ownership. Fr lease of Saar mines therefore will be valid only until peace treaty with stipulation in Fr Saar agreement that, should the peace settlement determine the mines to be of Saar ownership, the lease would automatically be reinstated for a further period of fifty years.

McCloy and Byroade [3] informed Bonnet that present Fr position was most helpful and great step toward calming rumors of more serious Fr designs. McCloy stated that had Fr originally taken this position, and promptly informed other Govts or even Poncet,[4] present tense feelings which have been most detrimental in Eur could have been avoided. Bonnet was also informed that without study, our first reaction was that further improvement could be obtained if substitute wording could be found to avoid use of the specific "50 year" phrase. Bonnet stated that he would report to Schuman our feeling that, in view of past rumors, substitute wording along lines of "long term arrangements" wld be preferable and perhaps avoid the possibility of the creation of an exciting slogan in Ger. We plan make this point again to Fr in our reply on suggested agreement but do not, unless you feel otherwise, consider it a vital point.

From a realistic point of view and ignoring of course opposition politics there wld seem little cause for concern on part of Adenauer at this agreement as it merely states well known position which Fr could be expected to take at peace treaty. Conversely it is a commitment on part of Fr not to take a more extreme position, namely that the mines shld become Fr property.

As has been made clear, the US is committed to support at peace conference Fr claim to economic and financial integration of Saar with Fr. Beyond this the US position that major decisions must await the peace settlement has also been, we believe, made quite clear. Certainly the question of ownership of the Saar mines is one such major decision. Adenauer's question (ur niact 842 [5]) may be aimed at determining whether additional commitment exists between France and US or possibly whether we already have arrived at decision to support some other course at peace treaty on question of mine ownership. You may make it quite clear that neither of these alternatives is correct and that

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[3] Col. Henry A. Byroade, Director of the Bureau of German Affairs.

[4] André François-Poncet, French High Commissioner for Germany.

[5] Not printed; it reported Adenauer's information on various aspects of the French attitude toward the Saar and asked whether the United States would support a French proposal "that mines leases would be valid until peace treaty but with provision that if confirmed by peace treaty the leases will run for 50 years." Riddleberger replied to this question that the United States had not given the French carte blanche for any arrangements. (862.2552/1–2950)

your Govt has no position on this question other than that it is an item for discussion and settlement at time of treaty. We wld expect to be in a position to study with open mind various claims to mines which will be presented at that time. For your info we have not made here as yet a sufficiently exhaustive study on this complex question to have a position at this time. We consider the above position shld remain however even if we do reach a conclusion on the legalities of the case.

We are certain you realize the adverse reaction of any misunderstanding on this issue with Adenauer so that he might erroneously imply to Cabinet or Bundestag that he had US commitment not to support Fr at peace treaty on question of mine ownership.

Analysis of expected Fr position at time of treaty and knowledge that US does not expect to make commitment to anyone before treaty shld, it seems, add up for Adenauer that peace settlement has not been prejudiced.

We certainly feel that refusal to consummate trade agreement on this ground would have most unfortunate implications and welcome your advice to Adenauer in this regard.

McCloy is in New York and has not had opportunity see this message.[6]

ACHESON

[6] The source text was initialed by Secretary Acheson.

762A.022/2–350 : Telegram

The Secretary of State to the Embassy in France[1]

SECRET PRIORITY WASHINGTON, February 3, 1950—10 p. m.

483. As noted Deptel 408 Jan 30 to Paris, to Fkft as 626, Lond as 437, we appreciate recent Fr attempts to be helpful on Saar problem and believe they represent important contribution towards resolving threat to Franco-German relations posed by recent difficulties over Saar. Pls express our gratitude to Schuman and inform him we feel situation wld be materially improved, particularly for Adenauer in dealing with prospective Bundestag debate over Saar, if he cld issue statement in Paris prior to negots with Saar Govt indicating that admission of Saar into Council of Europe wld be provisional pending final peace settlement. (Bonn's tel 12, Feb 2 to Paris; to Fkft as 28, London as 11[2]). We think it most important that helpful "climate" be created for Germany's entry into Council of Europe and believe that such statement by Schuman cld be major factor in easing political

[1] Repeated to Frankfort as 770 and to London as 539.
[2] Not printed.

situation in Ger. Another solution might be to authorize Adenauer to use Schuman's earlier statement to this effect in Bundestag.

You shld also inform Schuman that we have only had time to make a preliminary examination of the draft agreements to be negotiated with Saar Govt which Ambassador Bonnet delivered to us. With exception of points noted below we do not desire to comment on them at this time although Schuman shld clearly understand that our position on post treaty arrangements must be reserved pending decisions at final peace settlement, decisions which we expect, of course, to reflect our existing commitments re political separation from Ger and econ & finan integration with France. Naturally we can not give our approval or support to specific provisions which are to be negotiated now between Fr & Saar and assume it to be understood that coming negotiations will produce agreed views of Fr & Saar but not necessarily views of others.

We note that specific mention is made in agreement on coal mines of fact that question of ownership can only be settled at time of peace settlement. We believe it essential that all agreements contain qualifying statement indicating that they are all subj to decisions made at time of final settlement.

We consider it wld also be helpful if first sentence of preamble to agreement on mines cld be altered to remove present rather blunt assertion of Saar's right, which is likely to arouse further controversy. It wld appear to us to be sufficient merely to state position of two Govts with respect to claims.[3]

We continue to feel that in both the mine convention and the railroad convention, it wld be preferable to find formula which avoids fifty year term for reasons already explained to Fr Govt. Any purported extension of agreements beyond peace settlement shld be made subj to provisions that settlement. For ur info, it appears that Fr motive is to reach binding commitments now which will not have to be renegotiated if peace settlement is favorable to their thesis of Saar ownership. We cannot accept such solution, as every aspect of these agreements must be subj to overall decisions of settlement, and not merely question of ownership.[4]

ACHESON

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[3] In telegram 21 from Bonn, February 2, Hays also indicated his alarm at the preamble, which he considered a "definite attempt by French to prejudge issue of mine ownership". Holmes reported a similar feeling at the Foreign Office in telegram 597, February 2, from London, not printed. (762A.022/2–250 and 862A.19 Ruhr/2–250)

[4] Bruce discussed the United States desiderata with officials of the French Foreign Ministry on February 6 and reported that they were unsympathetic to the idea that all the agreements on the Saar should include a reference to the final determination at a peace settlement. (762A.022/2–650)

Editorial Note

The Franco-Saar negotiations, begun February 6 at Paris, were concluded on March 3 with the signature of a series of agreements by Foreign Minister Schuman and Premier Hoffmann. The texts of the agreements are printed in translation in *Documents on the Saar* (Frankfort, Office of the U.S. High Commissioner for Germany, September 1, 1951), pages 227–294; French texts and translations of the general convention and of conventions on mines, railroads, and economic union, were transmitted as enclosures to despatch 436, March 5, from Paris, not printed (762A.002/3–550); and French texts of the general, mines, and economic union conventions are also printed in Beate Ruhm von Oppen, ed., *Documents on Germany Under Occupation, 1945–1954* (London, Oxford University Press, 1955), pages 469–482.

762A.022/3–750 : Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfort [1]

SECRET PRIORITY WASHINGTON, March 7, 1950—9 p. m.

1494. Ref urtel 1963 March 7.[2] Dept does not agree with you that U.S. influence was not effective in modifying Fr plans. Mines convention as drafted remains in force only until peace settlement and if, but only if, Saar ownership is confirmed at that time, lease is extended to fifty years from date of ratification of present agreement. This retains an important principle: an agreement subject to review at peace settlement and settlement of ownership question at that time likewise. We cannot understand your view that further representations FedRep wld permit Adenauer to charge us with bad faith in expressing views set forth ourtel 626, Jan 30. In Dept's opinion, conventions as announced fit precisely into context of views expressed in reftel. (See esp. antepenultimate para thereof.)

Therefore Dept in general agreement with Allen's comments re Fr-Saar agreement and Ger reaction thereto (Lon's tel 1264 Mar 6, rptd Frankfort 94, Paris 356 [3]). You are authorized join with your Brit

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[1] Repeated to London as 1045 and to Paris as 992.

[2] Not printed; in it Hays indicated that he felt United States influence was not effective in eliminating from the Franco-Saar agreements those items such as the ownership of the mines which would prejudge a peace settlement. He considered that Adenauer might accuse him of acting in bad faith unless the United States stated publicly that the major Saar issues would await determination in a peace treaty. (451.62A31/3–750)

[3] Not printed; it reported that William D. Allen, Head of the German Political Department of the British Foreign Office, had indicated that he deplored the timing of the agreements but "did not consider them to be inconsistent with assurances given US by French and hence British have no intention of reopening question with latter." (762A.022/3–650)

colleague in joint informal approach to Adenauer along lines indicated reftel. Agree such approach shld be made promptly in view prospective Bundestag debate Fri, Mar 10 on subject, and consideration in Bundestag Fon Relations Comite and in interfactional discussions Mar 9. We have noted press account of Adenauer's press conference statements of March 4 and are of opinion that they are not in accord with his statement in mtg with HICOM Mar 2 "that he wld do his best to present the issue in such a way as to prevent most heated debate". (Para 5 Bonn's tel 60 Mar 3, rptd Frankfort 78, Lon 20, Paris 25.[4])

ACHESON

[4] Not printed.

762A.022/3–1050 : Telegram

The Secretary of State to the Embassy in France [1]

SECRET WASHINGTON, March 10, 1950—8 p. m.

1057. Geneva's tel 337 Mar 8 [2] (being rptd to you). Bring fol Schuman's personal attention:

Although we felt timing recent French-Saar negots unfortunate, we have gone considerable lengths indicate our general support Fr policy re Saar. Despite prior admonitions to Adenauer reaction to these negots within Ger has been strong and question eventual Ger membership Council of Europe is unclear at this time. Although we hold no brief for many of statements and reactions expressed by Ger govt and polit leaders, we believe nothing further shld be done which might aggravate this situation within Ger until exact nature Ger position known, particularly with ref Ger application for membership in Council of Eur. We, therefore, believe it most important no proposals be initiated for time being by Fr or Saar Govts which raise question of Saar participation in internatl conferences or orgs other than Council of Eur. We wld appreciate Schuman's cooperation this matter until such time as we can explore entire problem more clearly.[3]

ACHESON

[1] Repeated to London as 1105 and to Frankfort as 1596.

[2] Not printed; it reported that the French Government had formally requested observer status for the Saar at the June conference of the International Labor Organization. (398.06 ILO/3–850)

[3] In telegram 1300, March 20, from Paris, not printed, Embassy Paris reported that the French Foreign Ministry had informed the head of its delegation to the ILO that "France did not want Saar question pushed now." (762A.022/3–2050)

762A.022/12-2850 : Airgram

The Secretary of State to the Embassy in the United Kingdom [1]

SECRET WASHINGTON, December 28, 1950.

A-1037. 1. We are becoming increasingly concerned over prospect that Saar questions may again arise to plague us publicly in near future. We note: (*a*) Paris tel 3279, Dec 8, rptd London 797, Frankfort 378, Strasbourg unnumbered,[2] describing possible Fr moves to put Saar forward for membership in internatl orgs and Fr desire avoid leaving Saar in vacuum as to treaty relationships since former Ger treaties applied to FedRep will not cover Saar; (*b*) Strasbourg Desp 215, Dec 8, copies Paris, Frankfort, Bonn,[2] which indicates Saar Assembly hopes Saar will become signatory *state* to Schuman Plan; (*c*) Paris tel 3277, Dec 8, rptd London 796, Frankfort 376, Strasbourg unnumbered,[2] indicating Saar contribution to European defense being considered Fr FonOff. We also interested knowing whether Fr intend Saarois participation in Jan conference on integration European defense forces and, if so, in what capacity.

2. We have made no public statements re US policy toward Saar questions since Sec's press conference Jan 10 [*18*], 1950, when earlier US commitment to support detachment Saar from Ger and economic and financial integration with France maintained. Fr view that Saar sld have certain degree autonomy was acknowledged, but in this statement and all others exact polit status of Saar left for determination at final peace settlement. For May mtg FonMins, Dept prepared paper [3] proposing that if it became necessary discuss Saar matters with Fr, our effort should be persuade them to: (*a*) use moderation in dealing with the Saar in order to minimize irritation to Ger sensibilties, (*b*) re-examine their long-range policy with a view to seeking a solution which would meet the wishes of the inhabitants of the Saar and contribute to close Western European association, (*c*) in gen confine Saar participation in internatl conferences and orgs for the foreseeable future to observers attached to the French delegations.

3. We consider we shld hold foregoing position even more firmly at present, although we have no intention suggesting to Fr in immediate future that they reconsider Saar policy (point 2*b* above). In our

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[1] Repeated to Paris, Frankfort, and Strasbourg.

[2] Not printed.

[3] Under reference here is FM D E-2*a*, April 18, not printed, a revision of FM D E-2, dated April 16, prepared in the Bureau of German Affairs. (CFM Files: Lot M-88: Box 149: May CFM 1950 E, F, G, H Series) The CFM Files are a consolidated master collection of the records of conferences of Heads of State, Council of Foreign Ministers and ancillary bodies, North Atlantic Council, other meetings of the Secretary of State with the Foreign Ministers of European powers, and materials on the Austrian and German peace settlements for the years 1943-1955 prepared by the Department of State Records Service Center.

view, efforts to make decisions re Saar polit status or to cement foundations for later decisions at present can only serve to aggravate the tremendous difficulties under which we are already laboring, especially re problem Ger rearmament. We agree with analysis of difficulties to be faced in Ger if Saar problem raised (see Bonn 400 Dec 18, rptd Paris 102, London 102[4]) and foresee painful situation if US forced to make early decision favoring either Fr or Ger viewpoint.

4. Re last para Paris 3979 [*3279*], we consider leaving question internatl treaty relationships of Saar "up in air" for next few months will not raise serious practical difficulties for Saarois, Fr or Gers. We fail to see logic of concept that Saar status shld keep pace with developing status FedRep. Saar questions have rptdly been set aside to await broad polit settlement while FedRep questions decided by FonMins.

5. We wld like to know direction Brit thinking on these matters. If UK shares our view, we plan tentatively to (*a*) expose our fears re timing to Fr, (*b*) make clear to them that we do not consider ourselves obligated advance Fr aims toward Saar any farther than we already have, (*c*) state that if Fr sponsor Saar applications for membership in internatl orgs in near future, they will have to count on active opposition from our delegations to the orgs concerned, (*d*) ask that Saar membership problems be divorced from FedRep membership in internatl orgs which rests on agreement of three FonMins and (*e*) respond to point about Saar treaty relationships much as suggested in last para Bonn's 400.[5]

6. Report reaction UK FonOff.

7. In event Fr FonOff meanwhile raises at Paris further questions, re Saar, Emb. Paris, requested withhold specific comment or citation tentative thoughts outlined above and limit response to gen comment re desirability playing down Saar issues at this time to avoid aggravating current difficulties. Should it become evident that Fr moving to open Saar questions to public discussion through internatl org membership applications or otherwise, Emb Paris requested take initative in presenting such gen comment to Fr FonOff.

ACHESON

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[4] Not printed; it reported that Federal sensitivity on the Saar and on other issues such as remilitarization, NATO discussions, and the recent losses by the CDU made it likely that if the French could not be dissuaded from raising the Saar problem, "efforts to achieve basic goals US policy in Germany will not be enhanced." (762A.022/12–1850)

[5] The suggestion was that if the French asked, they would be informed "that due difficult technical and political aspects problem, US not yet in position to comment on status Saar's relation to Germany in terms reactivation old Reich treaties." (762A.022/12–1850)

ATTITUDE OF THE UNITED STATES TOWARD DEVELOPMENTS IN THE SOVIET ZONE OF OCCUPATION AND THE "GERMAN DEMOCRATIC REPUBLIC"

Editorial Note

During the course of 1950, policy statements were prepared for the Secretary and Under Secretary of State on the United States attitude toward East Germany. Four statements of this type have been identified in the Department of State files, dated January 1, February 21, April 12, and May 16, none printed. (762B.00/5–1650) The documentation following reflects the basic outlines of these statements.

762B.02/2–1050 : Circular airgram

The Secretary of State to Diplomatic Offices

SECRET WASHINGTON, February 10, 1950—12:45 p. m.

On December 15, 1949, at a meeting of the Permanent Commission of the members of the Brussels Pact, the following position paper was adopted:

"The five governments and the Government of the United States are opposed, in present circumstances, to *de jure* or *de facto* recognition of 'The German Democratic Republic'. They hope that all the governments accepting this principle will adopt, with regard to the German Democratic Government, a similar attitude to theirs towards the following problems, all of which, either directly or indirectly, are likely to involve the question of recognition:

1. Commercial relations between the Government and Eastern Germany:

> Trade should be conducted solely through the intermediary of private organizations, such as chambers of commerce. The fact that such private organizations on our side may deal with 'official' organizations on the other is of no significance with regard to recognition.
>
> Insofar as it may be necessary to discuss questions relating to trade agreements with Eastern Germany, the five governments and the Government of the United States wish to maintain the state of affairs existing before the creation of the 'German Democratic Republic', that is to say, to deal with such questions through the intermediary of the Soviet authorities.
>
> Should it prove impossible in some particular and exceptional case to avoid some form of contact with the Eastern German administration, then such dealings as take place will be carried out on as low and 'technical' a level as possible. It should be made clear that such Eastern German administration is considered as acting under the governmental responsibility of the Soviet occupation authorities.

2. Protection of property and nationals:

The five governments and the Government of the United States consider that this protection is incumbent upon the Soviet Government which is responsible for the acts of the 'German Democratic Republic'.

3. Participation of the Eastern German 'government' in international organizations:

The five governments and the Government of the United States express the hope that the governments concerned will be prepared to exchange with them information on the difficulties they meet within their relations with Eastern Germany and, if necessary, to consult with them with a view to maintaining a common attitude."

In commenting on this paper the Department pointed out that intent is an important factor in the question of *de facto* recognition; therefore, emphasis should be given at all opportunities to the fact that there is no intent of granting recognition to the GDR.

With reference to the phrase "Trade should be conducted solely through intermediary of private organizations such as chambers of commerce", the Department assumed that no intention existed to preclude private traders from continuing to negotiate directly with buyers or sellers in Soviet zone. Although private organizations such as chambers of commerce could render valuable services in protecting interests of private traders in dealing with the Soviet Zone, similar to function of American-Russian Chamber of Commerce in 1920's in representing commercial interests of private traders to Soviet Government authority prior to recognition by US, arrangements which would lead to situations in which private organizations or associations would in effect have exclusive right to export and import or to conclude trade agreements on behalf of their respective country with Soviet Zone would be deemed undesirable. In such cases restrictive business practices might well develop in direct opposition to the United States objectives under ERP of fostering competition in trade and production. For example, private organizations which in effect possessed such exclusive rights could well use their position to allocate markets, exclude or limit imports which compete with domestically-produced goods, and bring pressure on recalcitrant firms to adhere to domestic restrictive arrangements.

As a result of their observations the British representative made the following statement at the meeting of Permanent Commission held on January 5, 1950:

"First section subparagraph 1 DA/561 final reads: 'Trade should be conducted solely through intermediary of private organizations, such as chambers of commerce'.

In view slight ambiguity in this phrase, UK representative wishes to place on record that according to his understanding, it was not intended as recommendation that trade should be transacted solely through bodies like chambers of commerce, but that it should be transacted either through such bodies or by individuals and firms dealing direct with their opposite numbers in Soviet Union.

US agrees with this interpretation. UK Representative hopes that members of Committee are of like opinion."

It has been agreed that this statement of policy would serve as a guide for representations to be made by the representatives of all six powers to all other OEEC countries; and that the six governments would be free to make same representation to other governments. British representative stated that matter would be placed on agenda for consideration by Commonwealth Nations at Colombo Conference. The United States representative stated that the United States Government would probably communicate this position to some or all Latin American republics.

You are, therefore, authorized at your discretion to use the foregoing as the basis for an oral and confidential *démarche* to the government to which you are accredited. It is suggested that you may wish to ascertain the instructions received by the representatives of the members of the Brussels Pact, i.e., France, United Kingdom, Belgium, the Netherlands, and Luxembourg, and entirely at your discretion to coordinate your action in such manner as you may determine individually or in concert.

As this circular is being sent to all Diplomatic Officers, the action to be taken rests with individual officers. No action is required, for example, in the Missions to the Brussels Pact powers. In the other American Republics, the Officers receiving this instruction should assume primary responsibility for the communication of this information to the governments to which they are accredited. In the case of the OEEC countries, the procedure for conveying the above is entirely at the discretion of the Officers-in-Charge.

This instruction is being sent to the Officers-in-Charge of Missions in Communist-dominated countries solely for information. No action is to be taken by Missions to these countries.

The action to be taken by the Missions at Helsinki and Belgrade is at the discretion of the Officers-in-Charge.

ACHESON

740.00/2-2450

Memorandum by Mr. Robert P. Joyce of the Policy Planning Staff to the Deputy Assistant Secretary of State for European Affairs (Thompson)

SECRET [WASHINGTON,] February 24, 1950.

Subject: National Committee for Free Europe—Eastern Germany

1. With reference to conversations with yourself and Mr. Byroade in early January with regard to the discussions of the directors and the executives of the National Committee for Free Europe on the question of Eastern Germany, I wish to bring further information to your attention. As I informed you, our friends of the NCFE feel very strongly that Eastern Germany should be in their bailiwick and indeed feel it is so important that it might almost be considered a "keystone" of the arch of our foreign policy in Europe. In other words, they feel that they should make a considerable effort in connection with the preparation of radio programs by the NCFE for Eastern Germany.

2. You will recall that when I asked you for a policy decision on this matter, you had a discussion with Mr. Byroade as a result of which you informed me that the Department would look with favor upon such a proposal by the NCFE, but that it was not quite clear to you exactly what the NCFE had in mind.

3. I am now pleased to advise you that as a result of further consideration of this matter by the NCFE the following represent more or less their point of view:

a. Germany is the crucial point in the propaganda battle now raging. If the battle for Germany is won, the task for Central and Southeastern Europe will be enormously simplified. If it is lost, any success we may have had in Central and Southeastern Europe will, in the end, prove of little avail.

b. The members of the NCFE are not clear whether or in what manner propaganda by radio is being carried to Eastern Germany today. They have the impression that the Armed Forces network is not effective in this field and that the Voice of America is limited by the same general considerations of governmental policy which led to the formation of NCFE.

c. On this account they raise the question whether the scope of the activities of NCFE might not to advantage be extended to cover Eastern Germany.

d. Should the answer be in the affirmative, it would be their thought that a strategic plan covering propaganda for Eastern Germany should be worked out by representatives of this Committee, and representatives of our organization, in coordination with State, on the basis of which appropriate directives could be prepared for the guidance of those immediately in charge.

e. They believe that to be effective, the programming for propaganda directed to Eastern Germany should be done in Germany, probably in the neighborhood of Frankfurt, and upon the approval of

this project, they would be prepared to recruit the staff needed for such an operation.

f. The actual broadcasting would then be handled over the same facilities which are now in preparation for the other activities of NCFE in the field of radio.

ROBERT P. JOYCE

762.00/3–1350 : Telegram

The Chargé in the Soviet Union (Barbour) to the Secretary of State

SECRET

Moscow, March 13, 1950—1 p. m.

827. Frankfurt's 1969 to Department, March 7.[1] Though Dertinger's February 22 speech,[2] demanding all-German Peace Treaty, received only routine publicity here and Soviet press has not otherwise plugged this theme more than usual of late, Embassy agrees HICOG's estimate that Western Powers must seriously reckon with possible Soviet move phoney separate treaty and also pursue active role, in coordination with Bonn Government, on general theme German unity and Peace Treaty requirements. Since establishment GDR last October, Embassy believes it has become increasingly clear Soviets uninterested any quadripartite settlement Germany except on their own terms, based their apparent over-estimation prospects further advances non-Communist Europe next few years including Germany, and determination avoid any impairment regime established Soviet Zone. As result they have revealed more frankly than before their terms for German unification. This connection, recallable that Malenkov's November 6 speech emphasized: "German question cannot be correctly solved if German democracy does not take country's fate into their own hands, does not deprive Ruhr magnates of their economic and political base, if does not effect radical democratic reforms." Similarly Molotov's election speech made (Embtel 820, March 11 [1]), after referring Stalin's October message Pieck and Grotewohl,[3] included statement: "Sooner German people understand actual historic meaning formation GDR, the sooner they will achieve national unity." Likewise, Ulbricht, addressing SED Executive Committee January 11, stated that "democratization" Western Germany is prerequisite to unification (Berlin's A 31, January 20 [1]), (same time implying fairly clearly Soviet-Communist election terms).

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[1] Not printed.

[2] For the text of the speech by Georg Dertinger, Minister of Foreign Affairs of the "German Democratic Republic," see *Dokumente zur Aussenpolitik der Regierung der Deutschen Demokratischen Republik* (Ruetten & Loening, Berlin, 1954), Band I, pp. 141–152.

[3] Regarding Stalin's message to Wilhelm Pieck, President, and Otto Grotewohl, Premier of the "German Democratic Republic," dated October 13, 1949, see editorial note, *Foreign Relations*, 1949, vol. III, p. 532.

National Front Program and "*Taeg. Rund.*" article both appearing mid February revealed further details National Front aims, including requirement "under leadership of working class" (Berlin's 253 to Frankfurt, February 17 and A-45, February 18 [4]). Latter implies "under KPD-SED leadership," and "democratization" of course means "Communization" in standard Communist double talk.

Kremlin's present hopes Germany evidently based largely on steady deterioration economic situation (unemployed, refugees, expellees) Western Zones on [and?] Berlin sectors, which Soviets hope will provide increasingly fertile base for development National Front Movement (and at same time undermine Western efforts apply restrictive trade policies Germany). Secondary factors such as continuing dismantling (Embtel 2790, November 7 [4]) and Franco-Saar agreement [5] should provide good material for appeals nationalist sentiment uniting both extreme Right and Left elements and thus undercutting democratic parties on success of which Western Powers' whole programs depend. Dertinger's attack on "legitimacy" Anglo-American occupation (Berlin's Despatch 34, February 27 [4]) obviously intended provide further basis for "National Liberation Movement" aimed Western Powers and their German "lackeys."

Against this background, Dertinger's speech suggests likely next move on Soviet time table may be some sort phoney Peace Treaty (Embtel 2575, October 13 [4]), presumably following further "legitimation" claim of GDR and National Front to speak in name all Germany as result expected National Congress or possible plebiscite. Embassy agrees HICOG's view that such Treaty move near future seems unlikely be accompanied by any real Red Army withdrawal, particularly as long as Western position Berlin unliquidated and until GDR's part-military "police" better developed. Dertinger's use Warsaw declaration [6] formula undoubtedly significant this connection. However, seems clear propaganda for withdrawal Western troops would be redoubled and in much more specific form than heretofore, together with covertly-disseminated hints of eventual possible rectification Oder-Neisse line, which ace-in-hole Embassy still feels Kremlin may play or likely achieve really decisive results for National Front Movement (Embtels 2763, November 4 and 2860, November 17 [7]).

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[4] Not printed.

[5] Regarding the Franco-Saar agreements, signed by Foreign Minister Schuman and Premier Hoffmann in Paris on March 3, see the editorial note, p. 938.

[6] For the text of the statement by the Foreign Ministers of the Soviet Union, Albania, Bulgaria, Czechoslovakia, Yugoslavia, Poland, Romania, and Hungary, adopted on June 24, 1948 at Warsaw, see Beate Ruhm von Oppen (ed.), *Documents on Germany Under Occupation, 1945–1954* (London, Oxford University Press, 1955), pp. 300–307.

[7] Neither printed.

We believe these possibilities require careful and coordinated planning by Western Powers which for obvious reasons unable move with Moscow's typical swiftness.

Embassy also concurs HICOG's recommendation Western Powers should more actively espouse unity theme, including specific conditions for unity and Peace Treaty, and would welcome proposal for policy speech by McCloy, for which Berlin seems admirably suited, supported British and French High Commissioners and Bonn leaders. Suggest such speech should be comprehensive and basic, including not only Western terms, but attacking and unmasking Soviet conditions for unity outlined above and Kremlin's policies and aims Germany, including economic exploitation (reparations deliveries and SOVAG's), obvious minority SED dictatorship afraid face free voters, latest drive eliminate even remaining feeble independence part LDP and CDU Soviet Zone, constant violations individual human rights, repressive labor conditions including Uranina mines, failure keep promises regarding PW repatriation, attempts present *fait accompli* regarding Eastern frontier, and fate in store for National Front Germany as revealed evolution People's Democracies including now-admitted goal collectivized agriculture. Speech might well even mention possibility Soviet-imposed bogus Peace Treaty, emphasizing its main aim and effect would be permanent imposition of above and other aspects Moscow-dominated Communism on Eastern Germany, for which reason Western Powers and majority German people could never accept it.

Sent Department 827; repeated Frankfurt 57; Berlin 23; London 98; Rome 30; Paris 101. Rome for Ambassador Kirk upon arrival.[8]

BARBOUR

[8] Ambassador Kirk was in Rome to attend a meeting of United States Ambassadors with George W. Perkins, Assistant Secretary of State for European Affairs, March 22–24. For documentation on this meeting, see vol. III, pp. 795 ff.

762B.5/2–2750 : Telegram

The Secretary of State to the Embassy in the United Kingdom [1]

SECRET VERBATIM TEXT WASHINGTON, March 23, 1950—7 p. m.

1318. Dept intends make formal protest USSR re formation militarized police force eastern Ger, Frankfort tel 1755 Feb 27, rptd Paris 14, London 79, and Moscow tel 735, Mar 3, rptd Frankfort 54.[2] Pur-

[1] Repeated to Paris for action as 1279, Moscow as 244, and Frankfort as 1959 for information.

[2] Neither printed; the former reported HICOG's belief that the United States had conclusive evidence of the remilitarization of the Soviet Zone and recommended that parallel notes be sent to the Soviet Government protesting this violation of Allied Control Agreements; the latter expressed Embassy Moscow's complete concurrence with Frankfort. (762B.5/2–2750 and 862A.501/3–350)

pose this move wld be primarily propaganda effect, since Sovs wld hardly disband police at our request. Protest wld be made by delivery note Sov Ambassador [3] here, followed by publication note and accompanying press release containing full statement reliable data Sovzone police. Much of this info already known through recent Middleton and Alsop stories.

Believe protest wld be more forceful if Brit and Fr Govts participate, though form of their approach and wording of their statements need not be identical with ours. Pls discuss subj with them, using our proposed note as statement of line to be taken rather than as text with which they must fully agree. Note omits offer of quadripartite inspection suggested by AmEmbassy Moscow, on theory that existence of east Ger police already established. Inspection offer cld be made at later stage in light of possible Sov reply.

Text note follows with omission minor words:

"I have honor express to you US Govt's grave concern at development in eastern Ger which is already known to Govt USSR.

There has been created in part of Ger that is subj Sov control police force which has, by reason of its mil training and equipment, character of an army. It is understood that this training org *Hauptverwaltung fuer Ausbildung*), which may amt to 50,000 men, does not have ordinary police duties. It receives basic infantry and artillery training and is equipped with mil weapons, including machine guns, howitzers, antiaircraft cannon, mortars, and tanks. It must be regarded, therefore, as a mil force.

Sov Union has many times expressed its adherence to principle complete disarmament and demilitarization Ger. In particular, you will recall fol internatl agreements to which Sov Govt was party:

A. Joint Report Feb 11, 1945, fol Anglo-Sov-Amer Conference in Crimea:

> 'It is our inflexible purpose destroy Ger militarism and Nazism and ensure Ger will never again be able to disturb peace of world. We are determined to disarm and disband all Ger armed forces; break up for all time Ger Gen Staff that has repeatedly contrived resurgence of Ger militarism; remove or destroy all Ger mil equipment; . . . .'

B. Declaration Regarding Defeat of Ger and Assumption Supreme Authority by Allied Powers, signed by Gen Eisenhower, Marshal Zhukov, Field Marshal Montgomery and Gen Tassigny on behalf their respective Govts June 5, 1945:

> 'Four Allied Govts will take such steps, including complete disarmament and demilitarization of Ger, as they deem requisite for future peace and security.'

C. Joint Report Aug 2, 1945, fol Anglo-Sov-Amer Conference Berlin (Potsdam):

> '3. Purposes occupation Ger by which Control Council shall be guided are

[3] Alexander S. Panyushkin.

(i) complete disarmament and demilitarization Ger . . . To these ends: (*a*) All Ger land, naval and air forces . . . and all other mil and quasi-mil orgs . . . shall be completely and finally abolished in such manner as permanently to prevent revival or reorg of Ger militarization and Nazism.'

D. Agreement between Govts of UK, US, and USSR, and Provisional Govt of Fr Rep on Certain Additional Requirements to be Imposed on Ger, dated Sept 20, 1945:

'1. All Ger land, naval and air forces . . . and all other mil and quasi-mil orgs, . . . shall be completely and finally abolished in accordance with methods and procedures to be laid down by Allied Representatives.

2. All forms mil training, mil propaganda and mil activities of whatever nature, on part of Ger people, are prohibited, as well as formation any org initiated to further any aspect mil training and formation war vets orgs or other groups which might develop mil characteristics or which are designed to carry on Ger mil tradition, whether such orgs or groups purport to be polit, educational, religious, social, athletic or recreational or of any other nature.'

E. Control Council Law No. 34, entitled 'Dissolution of the Wehrmacht,' dated Aug 20, 1946:

'Article I. . . . all Ger land, naval and air forces, with all their orgs, staffs, and institutions, . . . and all other mil and quasi-mil orgs, together with all clubs and associations which serve to keep alive mil tradition in Ger, are hereby considered disbanded, completely dissolved and declared illegal.

Article II. Maintenance, formation and reconstitution of any of agencies or orgs enumerated in Article I under any name or form whatsoever, and taking over of all or any of functions of such agencies or orgs in the future by other agencies is prohibited and declared illegal.'

It is clear from these agreements that Govt Sov Union is committed unequivocally to principle that Ger will be demilitarized, that her mil forces will be completely and finally abolished, and that no revival of Ger mil activities will be allowed. Brit, Fr and Amer Govts were also parties to these agreements and are equally committed to same principle. They have, accordingly, taken effective steps to prevent any form of rearmament or remilitarization in their zones of occupation. Sov Union, on other hand, has directly violated all these agreements. Estab mil force, or militarized police, in eastern Ger could not have been accomplished without deliberate approval Sov Govt, and it is an action squarely in opposition to efforts being made by US and other nations to create stable and lasting peace.

Reps Sov Govt have, on numerous occasions, spoken of Sov Govt's desire for peace. Such verbal protestations, however, can hardly be expected to receive credence among free peoples of world when Sov Govt is simultaneously creating mil force of considerable size and strength in Ger in violation of its solemn internatl commitments. By this and other like actions Sov Govt has destroyed world confidence in sincerity its promises and has created throughout world widespread

doubt as to its pacific intentions. If Sov Govt wishes restore in some measure internatl confidence in its alleged attachment to peace, it cannot fail to dissolve immediately militarized police units which it has set up in Eastern Germany."[4]

ACHESON

[4] In subsequent exchanges of telegrams Embassies London and Paris reported a favorable initial reaction to the general outline of the note and to the idea of protesting to the Soviet Union. However both Bevin and Schuman indicated that they preferred to discuss the question at the Foreign Ministers meeting in London at the beginning of May before proceeding. Documentation on these exchanges is in files 762B.5, 762B.51, 762B.511, 862B.501, and 862B.511.

Editorial Note

At their meeting in London, May 11–13, the Foreign Ministers of the United States, United Kingdom, and France adopted a proposal to protest to the Soviet Union concerning the remilitarization of the Eastern Zone. (MIN/TRI/P/11, not printed) The drafting of the parallel notes was done in Moscow, and the United States note, based on the text transmitted in telegram 1318, March 23, *supra*, together with similar British and French notes, was delivered to the Soviet Foreign Office on May 23. On the same day the Department of State released to the press additional information on the East German paramilitary police which was not included in the note. For the text of the note and the additional information, see Department of State *Bulletin*, June 5, 1950, pages 918–920. The text of the United States note and an extract from the British note are printed in Beate Ruhm von Oppen (ed.), *Documents on Germany Under Occupation, 1945–1954* (London, Oxford University Press, 1955), pages 493–495. Documentation relating to the drafting and delivery of the note is in Department of State files 396.1–LO, 862B.501, and 862B.511.

On October 19, the Soviet Government delivered its reply to this note to the Western Embassies in Moscow. It repudiated the Allied charges and accused the Western powers of arming the Federal police, training them in special cadre schools which left "no doubt that these formations are in no way designed for discharging usual police functions." The note concluded that the Soviet Union would not reconcile itself with such measures "aimed at reviving the German Regular Army in Western Germany." For the full text of the Soviet note, see *ibid.*, pages 520–521; for the Russian text of the note as published in *Izvestiia* on October 20, see *Vneshniaia politika Sovetskogo Soiuza, dokumenty i materialy. 1950 god* (Moscow, Gospolitizdat, 1953), pages 221–223.

Editorial Note

On May 15 Grotewohl sent a letter to Stalin asking the Soviet Union to consider a reduction in reparations delivery. On the same day Stalin replied, granting a 50% reduction because of the Soviet "desire to help the endeavours of the German people in the restoration and development of the German national economy." For the texts of these two letters and a letter of thanks from the SED to the Central Committee of the CPSU, dated May 16, see Beate Ruhm von Oppen (ed.), *Documents on Germany Under Occupation, 1945–1954* (London, Oxford University Press, 1955), pages 488–490.

661.62B1/5–2350

Memorandum by the Director of the Bureau of German Affairs (Byroade) to the Under Secretary of State (Webb)

SECRET WASHINGTON, May 23, 1950.

Subject: Possible Announcement of GDR–USSR Peace Treaty.

Reference is made to your memorandum of May 22 [1] in which you requested our views on the likelihood of an announcement by the Soviets at the end of this month that they will conclude a treaty of peace with their puppet East German regime (GDR).

Background.

We have had under consideration several reports emanating from our intelligence authorities in Germany which indicate that Moscow may be planning to offer a "preliminary" peace treaty to all of Germany before the end of May.[2] The pact, which was reported also to call for a token withdrawal of Soviet occupation forces, would be accepted by the GDR after its expected rejection by the Western Governments. These reports indicate that the text of this treaty was to have been completed by May 14, and that its provisions will be announced by Wilhelm Pieck, President of the German Democratic Republic, in connection with the scheduled Communist Youth Rally in Berlin.[3] The reports further indicate that, following the announcement, a special meeting of the GDR legislature will be called on May 30 to discuss the treaty. Other reports indicate that the Soviets will

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[1] Not printed; in it Webb had requested Byroade's views on the likelihood of a treaty and the steps that might be taken to counter it. Webb felt that one approach might be to contrast Allied steps with such a development, since the latter would "merely create another Soviet satellite and . . . a divided Germany." (662A.62B/5–2250)

[2] Transmitted in telegrams 732, May 12, from Berlin and 4212, May 16, from Frankfort, neither printed (762A.00/5–1250 and 1650).

[3] For documentation on the Berlin Youth Rally at the end of May, see pp. 818 ff.

utilize the entrance of the German Federal Republic into the Council of Europe as their propaganda justification for consolidating East Germany into the Eastern bloc.

It is difficult to evaluate the reliability of these reports. The initial reaction of HICOG, Berlin, was that due to the coincidence of their coming to US and UK attention almost simultaneously, it was possible that they constituted "planted" information. This opinion was also based upon the fact that the intelligence evaluation of the sources was not high in either case. Embassy Moscow, however, commenting upon the Berlin evaluation, stated that it had for some time regarded such an eventuality as quite possible and a logical step in intensifying the East-West struggle for Germany. Embassy Moscow further stated that against the background of bitter German reaction to the Soviet announcement of the end of prisoners-of-war repatriation, and the latest clear indication that the October elections in the Soviet Zone will be based upon a single list of candidates, it was indicated that such a treaty move, like the "magnanimous" Soviet reparations reduction just announced, would serve Moscow's propaganda purposes quite well.[4]

In response to the Department's request for evaluation of the aforementioned intelligence reports, HICOG, Frankfort, has indicated that it considers the announcement of a peace treaty more unlikely than probable. This belief is based upon the following considerations:

The Soviets have usually reacted and altered the juridical status of the East German regime only after we have altered the juridical status of West Germany. They may have a peace treaty prepared and may have intended to formalize it if the juridical status of the Federal Republic had changed as a result of the London CFM and the NAT Council meeting. Since that did not occur, a treaty may be held in reserve until the Federal Republic accedes to the Council of Europe, or in connection with the October elections in the Soviet Zone. HICOG pointed out further that a peace treaty, in addition to the possible disadvantage of closing the door tighter to a quadripartite approach to the German problem and to the positive disadvantage of bilateral finalization of the Oder-Neisse border, also poses the problem of timing of the withdrawal of occupation troops. In view of the Foreign Ministers' announcement indicating continued occupation of West Germany, HICOG belives the Soviets would be reluctant to commit themselves to withdrawals from the Soviet Zone at this time.

HICOG stated that it seemed more likely that the Soviets would attempt a propaganda coup which would consist of a broad offer of peace to the whole of Germany and a proposal for an all-German plebiscite on the National Front program of unification, a peace settlement, abrogation of the occupation statutes and the withdrawal of troops. Such a move would be consistent with the recent Soviet

[4] Telegram 1411, May 17, from Moscow, not printed (662.001/5–1750).

counter proposals on all-Berlin elections,[5] and might possibly be considered by the Kremlin as representing an effective method of undercutting the announcement of the Western Foreign Ministers' policy of relaxing controls and integrating Western Germany with the West. HICOG further points out that the Soviets may read into the Foreign Ministers' communiqué [6] an indisposition on the part of the West further to sponsor all-German elections and may therefore seek to regain the initiative on the unification issue and solicit West German support by endorsing a spurious adaptation of the Bonn proposals for their all-German plebiscite.

Conclusions.

From careful consideration of the intelligence reports and the comments of HICOG and the Embassy at Moscow, we believe that while it is entirely possible that the Soviets may issue a statement in the course of the Whitsuntide Rally in Berlin in order to recoup some of their losses in popular support, it is unlikely that they will take any concrete steps toward the conclusion of a peace treaty at this time. Moreover, it seems improbable that such an announcement would be more than a very general statement to the effect that the Soviets are prepared to conclude a "peace treaty" with "Germany" following an all-German "plebiscite" on the National Front program. It is conceivable that such a plebiscite might be combined with the October 15 elections to give an all-German appearance to the resultant East German regime, with which the peace treaty would be concluded.

Action Taken and Contemplated.

With respect to the steps we should take in the face of such a development, our reaction would, of course, depend primarily on the exact nature of the Soviet announcement. In general, however, we would utilize our information media to expose the illegality and fraudulent nature of any "peace treaty" concluded by the USSR with the puppet East German regime, pointing out that any such treaty merely constitutes an effort to establish another full-fledged satellite in the Soviet orbit.

On the positive side, we would cite our own record on the question of German unity, pointing out the manner in which our persistent efforts to achieve German political and economic reunification have been frustrated by Soviet intransigence. The information media in Germany have already been alerted to this possible eventuality, and

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[5] Regarding the Soviet counterproposals on all-Berlin elections, see telegram 839, May 9, p. 852.

[6] For the text of the Foreign Ministers communiqué on Germany, released to the press on May 14, see Department of State *Bulletin*, May 22, 1950, pp. 787–788.

a contingency guidance has been despatched covering the aforementioned points.

It is our policy to seek German unity on the basis of free, unfettered all-German elections. Our efforts at the Moscow, London and Paris (1949) meetings of the Council of Foreign Ministers to achieve German unity were frustrated by Soviet refusal to agree to guarantee the fundamental conditions of freedom which the Western Allies considered as minimum prerequisites for the achievement of German unity. This policy was most recently enunciated by the McCloy statement of February 28 calling for political reunification of Germany on the basis of all-German elections. Mr. McCloy's statement, which the Secretary supported in his Berkeley speech of March 16, was followed by a statement issued by the Government of the Federal Republic of Germany on March 22. The Bonn statement supported the U.S. High Commissioner's proposal and embodied a concrete program for the achievement of German unity. Neither statement brought forth a direct response from the Soviet or East German Government, but it was clear that the statements caught them somewhat short and had a considerable impact.[7]

Having thus regained the initiative, we have pressed this issue of all-German elections both in the Allied High Commission and at the recent London meetings of the Western Foreign Ministers. It was not possible to obtain agreement on the issuance of a statement at London by the Foreign Ministers, although the text of such a statement was approved.

At its May 23 meeting the Council of the Allied High Commission agreed, subject to confirmation by the Three Governments, to transmit on May 25 three separate identical texts of the Foreign Ministers' statement on German unity to General Chuikov. This statement outlined the principles under which the Western Allies would be prepared to negotiate with the Soviets for the purpose of framing an electoral law for an all-German National Constituent Assembly. We have notified Mr. McCloy of our approval of this step.[8]

We shall continue to press for further Western Allied action in this direction, as we consider this theme one of the most effective weapons we have to counteract Soviet political and propaganda moves in Germany.

This memorandum has been concurred in by EE.

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[7] For the text of Secretary Acheson's speech on March 16 at the University of California, see Department of State *Bulletin*, March 27, 1950, pp. 473–478; regarding McCloy's statement and the declaration by the German Federal Government, see telegram 1644, February 24, and the editorial note, pp. 602 and 615.

[8] For the text of this letter, delivered to General Vasili S. Chuikov, Chairman of the Soviet Control Commission, on May 25, see telegram 121, May 25, p. 641.

762A.00/5–2850 : Telegram

The Director of the Berlin Element, HICOG (Page) to the Office of the United States High Commissioner for Germany, at Frankfort [1]

SECRET BERLIN, May 28, 1950—5 p. m.

1003. For PEPCO. Deptel 107 to Berlin repeated Frankfort 2444, April 10.[2] Bourgeois party situation Soviet Zone is presently undergoing important developments. Following data based largely on interview with Ernst Lemmer, and supplemented by conversations with other German politicians.

The unity list has been factor which, even in eyes West Germans who formerly urged continued party existence and Western support, has changed picture. Most politicians and observers therefore accept sentiments reportedly uttered by top SED leader, to effect bourgeois parties now merely additional tools for executing SED policies.

Preponderant reaction West Berlin and West German politicians is that these developments highly unfortunate, but unavoidable results Sovietization GDR. One concrete answer, however, seems gradually shaping under guidance Lemmer with Kaiser [3] support.

Plan is to reconstitute East CDU, LDP, and even SPD in exile. Present East German party leadership will be written off and new leadership created West Berlin. These will claim represent (and actually will in spirit) vast majority Soviet Zone population. Without asserting as much, these groups will approximate Soviet Zone regime in exile. It also hoped three above parties can unite in common council for Soviet Zone in this enterprise without, of course, implying any change party independence and rivalry West German[y]. This based on fact that for most Soviet Zone population, there is no interest in differences between pro-Western parties, but only in difference between freedom and oppression (SED).

Because Lemmer, pre-1948 Deputy Chief Soviet Zone CDU under Kaiser, is sparking these developments, organizational work of reconstituting CDU leadership more advanced than for LDP. For SPD job is only to establish some new branch at least superficially separate from "Ostbuero." Latter engages in some underground operations Soviet Zone, and Lemmer wishes these party leaderships completely separate from such activities.

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[1] The source text was sent as 824 to the Department of State.

[2] Not printed; it reported the Department of State's approval of a plan to encourage the "defection" of Otto Nuschke, leader of the CDU in the Soviet Zone, and other bourgeois party leaders. Berlin was also informed that the United States should "increasingly take position that Ost-CDU and LDP can no longer be regarded as opposition parties, but must be treated as ancillaries and tools of SED-sponsored Natl Front program." (762A.00/4–150)

[3] Jacob Kaiser, Federal Minister for All-German Affairs and former leader of the CDU in the Soviet Zone.

Investigation by Lemmer has revealed over 5,000 former East CDU functionaries and local government officials have fled Soviet Zone. These constitute source for future leadership groups. Lemmer is recruiting few honest CDU officials still in East Zone and also has received promise from Hickmann to join new organization when actually started, although Hickmann wishes remain in Saxony as long as possible, since his mere presence, without activity, now effective symbol resistance.

Lemmer has also had long unfruitful talk with Nuschke and will attempt final meeting between Nuschke and Kaiser in West Berlin May 27. While Nuschke certain he must leave eventually, he plans proceed Sweden, from whose neutral ground he can speak freely to East and West. Meanwhile, he appears so engulfed in forebodings imminency war, which neither side wants but each moving towards, that he insists he must use all his small powers help warding it off, even at price unity list and similar Communizing developments. Lemmer judges Nuschke to be wholly upright and unconcerned with any personal advantage, but completely gullible and blind as to actual events. Lemmer will write him off if final meeting with Kaiser fails produce change. LDP (FDP) will have more trouble with new leadership, but their present plan is young Kuetz (son of LDP founder who died 1948) will lead group. Moog, Lieutenant, Dierlamm, and Uhle may join top ranks. Indications are that all present LDP Soviet Zone leadership will cling to offices.

We believe entire project if handled adroitly, if consummated with tri-party cooperation, and if given Kaiser ministry and appropriate Allied support might develop into important portion of answer to NAT front in West Germany. Subordinate to suitably named West Berlin head organization, which would effect collaboration three party organizations together with unions and other private organizations, state, district, city, and village committees could develop throughout Federal Republic. These would be distinct from local West German SPD, CDU, FDP, and other early groups which would continue regular political rivalry. Committee network would be instrument by which West Germans (whether formerly from Soviet Zone or not) could join to keep in touch with individuals and developments in Soviet Zone and with Communist and NAT front activity their localities, in order counteract latter. At same time, head organization West Berlin could also suggest policies and execute programs to maintain will of East German population to resist Sovietization.

Department pass Moscow: sent Frankfort 1003, repeated information Department 824, London 85, Moscow 67, Paris 278, Bonn 81.

PAGE

762A.00/6-250 : Telegram

The Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfort [1]

SECRET WASHINGTON, June 2, 1950—6 p. m.

3923. PEPCO. Re Berlin's tel 824, May 28 sent Frankfort 1003, London 85, Moscow 67, Paris 278, Bonn 81.

Dept reaction plan reconstitute East CDU, LDP and SPD in West Berlin favorable. Development such project wld serve to undermine effectiveness of collaborationist bourgeois parties as instruments for execution SED policies and Nat'l Front propaganda and expose fictitious nature of broad coalition in GDR. New setup wld moreover offer a really appealing and effective rallying point for anti-Sov and anti-SED sentiment in Sovzone and thus stimulate an improvement in morale and resistance of Sovzone population.

In event plan materializes it wld seem important for West Ger and Allied assistance to be furnished promptly and effectively but in a discreet manner which wld avoid possible charge organization "sponsored" by Western Allies. Although organization shld be encouraged to develop on its own, early assurances of our sympathetic interest and support wld probably be important factor in guaranteeing its success. Full cooperation and use our info media facilities shld be pledged to leaders of project. Keep Dept informed.[2]

ACHESON

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[1] Repeated to Berlin as 222, Moscow 472, London 2671, and Paris 2533.

[2] In a subsequent exchange of telegrams McCloy suggested that the West Berlin and Bonn sections of the parties be consulted on the problem. When this was done it appeared that only Kaiser favored the idea of reconstituting the East Zone parties in West Berlin. Following this report the Allied Political Advisers held two meetings in Berlin at which it was agreed that it would be "best West German parties develop East Zone sections within own organs instead wholly separate parties in exile." In view of these reactions the Department of State agreed to the development of the sections and stated that it favored "maximum unity of action on part three East Zone sections." Telegrams 943, June 19, from Berlin; 300, June 15, from Bonn; 4962, June 9, from Frankfort; and to Frankfort 4597, June 27. (762.00/6-1950 and 762A.00/6-950 and 1550)

Editorial Note

On June 5 and 6 representatives of the "German Democratic Republic" and Polish Republic met in Warsaw for discussions which resulted in the following six agreements: 1) a declaration confirming the Oder-Neisse line as their mutual boundary, 2) a five-year agreement on technical and scientific cooperation, 3) a one-year protocol on cultural cooperation, 4) a trade agreement covering the period March 1 through December 31, 1950, 5) a payments agreement, and

6) an agreement providing the GDR with Polish credits. One month later the boundary declaration was implemented when Grotewohl and Josef Cyrankiewicz, Prime Minister of Poland, signed at Zgorzelec on July 6, an eight-article agreement confirming the substance of the declaration.

For the texts of the declaration, the scientific and technical cooperation agreement, the cultural cooperation protocol, and the agreement on frontiers, see *Dokumente zur Aussenpolitik der Regierung der Deutschen Demokratischen Republik* (Ruetten & Loening, Berlin, 1954), Band 1, pages 332–336 and 342–343. The texts of the two documents relating to the Oder-Neisse frontier are also published in Beate Ruhm von Oppen (ed.), *Documents on Germany Under Occupation, 1945–1954* (London, Oxford University Press, 1955), pages 497–500.

In telegram 897, June 10, from Berlin, not printed, the following appreciation of the agreements was reported:

"Agreements are believed part of general process of integrating Soviet zone into Soviet political, economic, and military system. Their occurrence at this time may reflect interest of USSR in formally defining as treaty-bound mutual obligations those relationships which USSR anxious to establish preparatory to anticipated withdrawal of USSR as occupation power in Germany, declaration of 'independence' of GDR, and formalizing agreement between GDR and USSR. On other hand, there may have been immediate economic considerations behind trade agreement."

(762B.00/6–1050) Further reportage and documentation on the agreements may be found in files 762B.00/6–1250, 648.62B/6–750, 648.62B3/6–850, and 748.022/6–750.

With regard to the boundary agreement McCloy issued on June 7 the following statement which was fully supported by the Department of State:

"My attention has been called to the ADN report on an alleged agreement between Poland and east German administration regarding the Oder-Neisse boundary. The American position on this subject is well-known. Secretary Byrnes in Stuttgart in 1946 and Secretary Marshall at Moscow conference in 1947 both stated that the question of Germany's eastern boundary is one to be settled in peace treaty with Germany, This was also the position of the three powers at Potsdam. Article 8 of Potsdam agreement specifically provides that the final delimitation of west frontier of Poland should await the peace settlement. This is not a matter that can be settled unilaterally or bilaterally. It cannot be settled for Germany by representatives of a regime that has no real support of the German people. The US Government has not therefore, recognized the Oder-Neisse boundary nor the incorporation into the Polish state of those German territories placed under Polish administration at Potsdam." (Telegram 4891, June 7, from Frankfort, not printed, 648.62B3/6–750)

762B.00/7–650 : Telegram

The Director of the Eastern Element, HICOG Berlin (Morgan) to the Office of the United States High Commissioner for Germany, at Frankfort [1]

CONFIDENTIAL BERLIN, July 6, 1950—6 p. m.

35. Re ourtels Frankfort 1107, repeated Department 904, June 10; Frankfort 1199, repeated Department 972, June 26; Berlin's despatch 133 June 29.[2] Following preliminary comments on political economic implications GDR agreements with satellite countries.[3]

1. Agreements between GDR and Poland, Czechoslovakia and Hungary consisting of joint declarations supplemented by trade, financial, technical-scientific and cultural agreements, signed in respective satellite capitals by German delegation headed by Ulbricht, followed by ratification by GDR Government and letters of Pieck and Grotewohl to satellite Presidents and Minister-President confirming agreements. Outstanding implications of agreements are integration of GDR in orbit's political, economic and possibly security system, and further preparation for conclusion of peace treaty or virtual equivalent.

2. Notable above agreements are type so far made by GDR with only three satellites. No public indication as yet that similar agreements contemplated Rumania or Albania, and Bulgarian agreement (signed by Bulgarian Foreign Trade Minister Daskaloff and Secretary State Ganter-Gilmans June 19 in Berlin) apparently belongs more modest category, limited to expansion trade and technical-scientific field. GDR Trade Delegation reported at present in China to be joined early July by Minister of Trade Handke; this indicates early China agreement sure to be given great publicity, but whether like Polish *et al* or merely trade-technical remains be seen. In any case, most distinctive feature on Polish type seems settlement of hitherto "unresolved question," since emphasis was on border and population resettlement problems. This reminiscent of recent moves by USSR to settle outstanding issues such as PWs, concentration camps, reparations, return SAG's, transfer property control; suggests major satellite agreements are part of same series of events, pointing toward early conclusion peace treaties.

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[1] The source text was sent as 23 to the Department of State.

[2] Neither printed.

[3] For the texts of the agreements with Czechoslovakia (June 23) and Hungary (June 24), see *Dokumente zur Aussenpolitik der Regierung der Deutschen Demokratischen Republik* (Ruetten & Loening, Berlin, 1954), Band 1, pp. 379–381 and 430–432; an extract from a similar agreement with Bulgaria (June 19) is printed *ibid.*, pp. 460–461; regarding the agreements with Poland, see editorial note, *supra*.

3. Rapid succession these moves suggests accelerated timetable, perhaps desire announce completion phase of settling old scores at SED Congress July 20. Date announcement actual end of state of war, of course, remains conjectural but worth keeping eye on GDR calendar for possible occasions, such as SED Congress and completion two-year plan July 20, elections October 15, possible National Front Congress between July 24 and October 15, conclusion five-year trade agreements with orbit countries in September, beginning orbit-integrated five-year plan January 1, all-German Congress fighters for peace September 20. Among these, elections now seem best bet, since peace declaration might very logically hinge on formation of non-provisional "German" government. Most symbolic occasion for offer by USSR this direction would be October 13 anniversary Stalin message to Pieck. This would come on eve of elections, and date October 15 possibly chosen with some such dramatic sequence in mind.

4. Speed of agreements may also mean clearing of decks to react to West German developments. Concluded agreements labeled answer to West German entry into Council of Europe. Discussion of revision of occupation statute and possible peace treaty with West Germany may stimulate preparation for counter-moves in East.[4] These are merely tactical considerations, however. Soviet drive is self-propelled.

5. Integration into orbit security system, of course, indicated only indirectly for most part thru closer political and economic ties; but technical-scientific agreements and reference in Ulbricht's Praha speech to "common training" of youth groups have direct military implications.

6. Agreements are abundantly exploited for propaganda as success of GDR foreign policy and in peace campaign. "Debate" over agreements Volkskammer brought forth definite statement against German "neutrality" by Huebener (East LDP). In line with National Front bid for West Germany, East emphasizes agreements concluded in name and for all Germany, holding up some benefits as bait.

7. Scanty information foreign economic clauses generally confirms previous statements on expansion of trade over previous year. Similarly, however, to trade agreement with USSR,[5] announced percentage increases over 1949 (USSR 35 percent, Poland 60 percent, Hungary 70 percent, Czechoslovakia 80 percent) remain below planned 90–100 percent increase in 1950 trade volume. Planned five-fold increase in Bulgarian trade relatively insignificant due to small volume of trade heretofore.

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[4] For documentation on the revision of the occupation statute and the termination of the state of war with the Federal Republic, see pp. 737 ff. and 590 ff., respectively.

[5] Regarding the trade and payments agreement with the Soviet Union, signed on April 12, 1950 at Moscow, see *Vneshniaia politika Sovetskogo Soiuza, dokumenty i materialy, 1950 god* (Moscow, Gospolitizdat, 1953), p. 142.

Combined USSR, Polish, Czechoslovak, Hungarian, Bulgarian planned trade increase in 1950 amounts to about 50 percent increase over 1949. GDR trade with these countries constituted 77 percent of 1949 trade (foreign trade excluding inter-zonal trade, reparations, et cetera). Imports in 1949 amounted to only about 3 percent of GDR gross national product. (West German imports 1949 about 10 percent of GNP.) Assuming 50 percent increase in trade volume and 10 percent increase in GNP in 1950 trade will amount to only about 4 percent of GNP which believed still insufficient utilization of industrial capacity. (Aside from still continuing Soviet takings in form of reparations et cetera.)

(*Note:* Above calculations based on 1949 foreign trade figures of GDR expressed in DM (east) at 1944 prices.

In recent Soviet-licensed press only few dollar figures given, e.g. volume of Polish trade 1948: $84 million, 1949: $152 million; planned 1949 Czechoslovak trade 44 million. These figures would indicate rather high value for mark (1 DM—$0.49–0.51) against previous estimates of about 1 DM—$0.35–0.40. In the Polish trade, such high value for DM can be explained since bulk of imports from Poland consist of coal accounted for at rather low price in DM (hard coal 33 DM, brown coal 3.20 DM, coke 45 DM per ton). In case of Czechoslovak trade likely that dollar figure represents unreached plan figure.)

8. On basis of overt information pattern of trade will remain the same as 1949. With expansion over-all trade volume, imports may become more diversified. Also food imports may increase. On export side a relative decrease of share of potash and steel scrap exports can be expected, whereas light machinery, optics and possibly chemical exports may increase. Lumber exports will probably remain at present level.

9. Some improvement consumer supply expected as result of trade agreements. Furthermore, separate short-term credit arrangements concluded allegedly over and above trade agreements serve purpose of financing consumer good imports in immediate future. Sketchy information given on credit arrangements implies these short-term credits will be used primarily for food and shoe imports. The announced 1.4 million leather shoe imports from Czechoslovakia during 1950 constitute nearly 20 percent of expected leather shoe production of GDR, but even these imports will increase leather shoe availability only to about 48 percent of pre-war availability. While credit arrangements may be bona fide instruments facilitating factors, they may also be interim consolidation hitherto unfavorable payments balances. Particularly vis-à-vis Poland and Hungary GDR has run up substantial debit accounts. Most likely credit agreements served purpose both settlement these obligations as well providing new credits for increased supply

consumer goods to enable GDR fulfil its plans substantially derationing economy by end of year and probably before elections.

10. Agreements foresee the preparation of five year trade agreements to be concluded in September and exchange of information on various five year plans to be put into effect January 1, 1950. This indicates efforts to synchronize production planning in all orbit countries. On basis of present information it appears preparatory work on economic integration proceeds along broad outlines rather than giving detailed programs. Noteworthy that even under existing severe central controls foreign trade planning has been least effective and fulfillment constantly remained behind targets. Failure probably largely due to continued nationalistic approach and although present efforts imply departure toward supra-national planning, establishment of permanent planning may become necessary to fulfil task.

11. Aside from playing up economic integration against "failure of Marshall Plan," the GDR may increasingly be used as intermediary to procure needed equipment from west.

Department pass Moscow, sent Frankfort 35, repeated Department 23, Moscow 2, Paris 5, London 1, pouched Warsaw, Praha, Budapest, Bucharest.

MORGAN

762A.00/7–850 : Telegram

The Director of the Eastern Element, HICOG Berlin (Morgan) to the Office of the United States High Commissioner for Germany, at Frankfort

SECRET BERLIN, July 8, 1950—10 a. m.

47. PEPCO. Our 21 repeated Department 14, Bonn 3, July 4.[1] Report on joint meeting Allied political representatives with Reuter, Suhr, Neumann, Schwennicke, Tillmanns [2] July 6:

German representatives agreed in general desirable three parties adopt common measures fight Communism East and West Germany, though characteristic differences SPD from others remained evident during discussion, which mainly focused on how combat October 15 Soviet Zone elections. On this problem Germans agreed.

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[1] Not printed; in it Morgan reported on a third meeting of the Berlin Political Advisers at which the attitudes of various party leaders toward the October Soviet Zone elections had been discussed. All party leaders had favored an active program and expressed a willingness to engage in an informal exchange of views on the subject. The Political Advisers had then arranged for such a meeting on July 6 and invited Reuter and Suhr. (762A.00/7–450)

[2] Ernst Reuter, Mayor of Berlin; Otto Suhr and Franz Neumann, leaders of the Berlin SPD; Carl-Hubert Schwennicke, leader of the Berlin FDP; and Robert Tillmanns, leader of the Berlin CDU.

(*a*) Action appropriate both in Berlin and in West zones;

(*b*) Next step for Berlin, Reuter to call committee of party publicity experts (perhaps some other organizations also represented and Allied observers probably invited sit in) to explore subject and make recommendations to political leaders;

(*c*) Party representatives to report present meeting to respective party organizations in West;

(*d*) Desirable parties pass common advice to East Germans on how act with reference to elections, but this impossible re voting until voting procedure known, and Communists might change announced procedure at last minute; also doubtful whether possible advocate expression of dissent in way which would not expose anti-Communists to drastic reprisals; but no doubt parties should maintain active communications with East Germans if only to show they not forsaken. Question raised what attitude to advise East German friends adopt on allowing selves be named as candidates single list. Several commented they hoped this new undertaking could continue type of cooperation which proved so effective in preparation for jugendtreffen.

Allied representatives remained mostly in background during discussion. French seem have most doubts about whole idea, British least. Our view only moderately hopeful, but believe matter worth pursuing both here and in West. Obviously important maintain cooperation between Berliners and West Germans, but within this framework trust Berliners' greater awareness and determination may serve as useful catalyst other areas. Also hope some means of utilizing more fully in this field Berlin's symbolic value as outpost of freedom may yet be found. This was vital part of original CDU idea of "parties in exile" which now seems unlikely be adopted by other parties.

Repeated Department 34, Bonn 4.

MORGAN

762A.00/8-250 : Telegram

The United States High Commissioner for Germany (McCloy) to the Secretary of State

SECRET FRANKFORT, August 2, 1950—11 p. m.

921. Following report gives Berlin's preliminary appraisal SED congress.[1] There is no doubt that character of Berlin congress reflects new phase and intensification of Soviet pressure. It also seems intended to create sense of uneasiness in West Germany. A full evaluation of Soviet determination to translate program into action depends, however, upon further indications and acts. Subsequent telegram gives

[1] For documentation on the Third SED Congress, July 20–24 in Berlin, including the texts of the five-year plan, party statutes, manifesto to the German people, resolution, and Central Committee communiqué, see *Dokumente der Sozialistischen Einheitspartei Deutschlands* (Dietz Verlag, Berlin, 1952), Band III, pp. 79 ff.

further details re poster campaign which is first and to date only action which seems to have developed in pursuance of program.

(Following is Berlin's 157 to Frankfort.)

"PEPCO and McCloy. Preliminary appraisal SED congress Berlin July 20–24, based chiefly on major policy speeches Pieck, Grotewohl, Ulbricht, which "manifesto to German people" and closing "resolution" (east press July 25, 26) merely echo:

Central emphasis is drive for "democratic unification" of Germany (i.e. Communist conquest of Berlin and West Germany): all other issues focused on this. Main effort hitherto said to have been building foundation in East Germany; now job is all Germany.

In keeping with this SED speaks for German people as whole, claims be its "vanguard". The KPD still nominally separate, it sent 1,200 "guest delegates", received criticism for past and instructions on future activities from Pieck, which Reimann acknowledged (*Neues Deutschland* July 21, 22 and July 25 puts total from west 1,213). Since state follows party in Communist world, this suggests eventual announcement of government claiming all-German status.

"Objective conditions" for Communist success declared all present; sole problem therefore is mobilizing "subjective conditions", i.e., human forces, around SED and front organized.

Conditions described specially "favorable" in Berlin, notably due economic deterioration and "panic" over Korea, plus increasing strength of GDR. Insufficient "attention" said hitherto given Berlin by east Communist leadership. Berlin called "imperialist bridgehead", center of espionage and provocation. Thus Berlin probably slated for conquest before West Germany. Election Jendretzky [2] as Politburo candidate also suggests emphasis on Berlin. Central line of offensive in West Germany is open summons for German "resistance movement" versus Federal Republic and occupation powers. Legal basis according Grotewohl (*Neues Deutschland* July 22): Western Allies no longer act as part of Control Council, therefore violate Potsdam. So nobody in West Germany is legally subject to directions of occupation powers any longer. Therein lies our right to national resistance. . . ."

Twin vehicles for "enflaming" resistance are Peace Front and National Front. Peace line is: Remember World War II, look at ruins around you, think of Korea, consider strength of "imperialist camp" which waning and of "peace camp" which waxing:

If you follow SED, peace assured; if not, destruction certain. This threat made with frequent reminder of Soviet Army, statement repeated by nearly all speakers including West Europe guests to effect will assist Soviet Army in event "aggression".

National Front line remains unified democratic Germany, peace treaty, withdrawal occupation troops, national liberation from "Anglo-American colonizers". Frequent reiteration of German right to peace treaty, based on Potsdam, suggest Soviet may offer one and claim Potsdam justifies. Pieck explicitly rejects peace by "declaration", allegedly planned by Western Allies, as contrary to Potsdam and international law, which requires peace be made "by treaty with vanquished".

[2] Hans Jendretzky, First Secretary of the Berlin SED.

No further details given on October 15 election, but stressed that they will have "all-German significance", via National Front, which "based" on GDR but operates throughout Germany.

Economic aspects obviously painted to appeal to non-Communist Germans. Ulbricht presents five-year plan primarily as contribution to unification of Germany, showing GDR has sole answer to future prosperity. Inclusion of plans for rebuilding German merchant marine, insistence on development interzonal and eastern trade despite obstacles imposed by Western Allies, recommended application by GDR for membership in CEMA are notable features. Reference to further socialization carefully avoided, though undoubtedly will continue. Absence of concrete foreign trade plans (though details of five-year plan published July 26) suggests this part still undergoing revision in Moscow. Plan aims at 60 percent increase of national production; main emphasis on industries with high armament potential.

Alert police and sea police prominent in final parade, latter wearing uniform of old German Navy.

No confirmation of Cominform meeting in formal sense, the delegates reportedly left for Praha where may occur. Anyhow presence leading Communist 25 countries dramatized intent of Kremlin to throw full weight of Communist world behind drive to "unify" Germany. "Solidarity" their keynote.

Speeches bristled with aggressive confidence. Ulbricht said decided not build seaport for new marine: time coming when "democratic Germany" will have Hamburg and Luebeck.

GDR internal consolidation, however, not yet fully accomplished to Communist satisfaction. Chief target Protestant Church. Violent attack on Dibelius [3] by Grotewohl indicates time has come to catch up with other satellites in "solving church problem", though perhaps worst postponed until after elections and attack on Catholic Church expected after Protestants. Other "deficiencies" noted in FDGB, National Front and SED.

Failure West Berlin and West German Communists so far win masses noted and west leaders called on carpet, but SED and GDR also blamed for insufficient attention to west and both Reimann [4] and Jendretzky evidently still in favor. Great difficulty of Communist task in west repeately emphasized, especially fear of occupation powers felt by Germans. Implication is that fear must be countered by rendering Western Powers less dreadful or Communist more so, probably both. Whole trend of speeches thus indicates that while West German Communists will be goaded into greater activity, Kremlin really counts on outside aid to make main contribution in battle for West Germany. Korean action already figuring prominently as one such aid. Confident tenor of speeches, with absence of novel tactical announcement, suggests further moves coming soon.

Though aid expected from entire Communist world, central vehicle still said to be GDR, "at this time the most effective instrument" for liberation of Germany (Grotewohl). This leaves open possible shift to other instrument later, but such not otherwise hinted, unless by references to Soviet Army in case of "aggression".

Timing: In addition to cited difficulties in west, Pieck rebukes hotheads who call for immediate uprising, indicates West German

[3] Dr. Otto Dibelius, Evangelical Bishop of Berlin.
[4] Max Reimann, Leader of Communist Party in the Federal Republic.

rebellion not expected right away; also predicts "economic and political catastrophe" in West Germany within "one to two years" if no trade with east. Ackermann [5] says "imperialists" can be eliminated in "few years". However, speeches pervaded with sense of urgency, and timetable always subject to Kremlin revision if events move rapidly. Signed Morgan."

McCloy

[5] Anton Ackermann, member of the Central Committee, candidate member of the Politburo of the SED, and State Secretary in the Ministry of Foreign Affairs.

762B.00/8-2850 : Telegram

The Director of the Berlin Element, HICOG (Page) to the Office of the United States High Commissioner for Germany, at Frankfort [1]

CONFIDENTIAL

Berlin, August 28, 1950—7 p. m.

356. Our 349 August 26, repeated Department 298.[2] National Front Congress closed August 26. As far as public statements go, exhibited normal development of policies laid down by July SED Congress (our 157 July 27, repeated Department as Frankfort's 921 August 2), with no signs change tempo and no new commitments which would limit future freedom of action.

Congress formally enlisted National Front in National Resistance, which said to mark "new stage" in fight for German unity, all-German Government, peace treaty, withdrawal occupation troops: Anglo-Americans forced concede these when Occupation Statute, Security Board et cetera "annulled through national will of our people."

Peace struggle invoked as motive for resistance: major emphasis Korea as warning, imminent danger world war which would mean end of German national existence (deliberately planned by Anglo-Americans for purpose eliminating German competition).

GDR as base for National Front, "shining example" showing West Germany that joining 5-year plan, friendship with USSR, et cetera is sole way to peace, unity, happiness. Interzonal and eastern trade dangled as "economic aid for West Germany".

All-German status of congress repeatedly emphasized: represents "overwhelming majority of German people"; 1064 out of 2466 delegated from West Germany; styled "first German National Congress", thus suggesting enduring institution. Approved National Front election program for October 15 (peace, unity, peace treaty, troop withdrawal, 5-year plan) thereby "symbolically" sanctioning candidate lists; hence representatives elected "will be deputies of all Germany" (Nuschke). GDR likewise called "kernel" of unified democratic Germany, "state foundation for all Germany in struggle for peace, unity".

[1] The source text was sent as 1466 to the Department of State.
[2] Not printed.

Both its constitution and its work "set up for all Germany". Early formation "All-German Government" with which conclude peace treaty one of "demands" in election program. October elections declared historically significant for whole German people the election held in part of Germany where "imperialist oppression no longer exists".

Thus congress further prepared way for possible pretense GDR government after October 15 is All-German Government, but without committing Communists to this step. Newly elected National Council of National Front henceforth available sanction further moves this direction if needed, including approval lists of candidates. No hint of underground West German participation October 15 election would probably still be guarded secret anyway but present trend suggests superfluous.

Reiterated stress on Potsdam, peace treaty, troop withdrawal coupled with attack (as at SED Congress) on Anglo-American plans "dictate" termination state of war without unification Germany, peace treaty or troop withdrawal. Pieck insisted peace treaty with government representing all Germany is only lawful means end state of war; charged west powers seeking prolong occupation, make split of Germany permanent, avoid negotiation with Germans as equals.

Nothing said to imply USSR will negotiate treaty with GDR without west powers, but possible hint given where election program called for early conclusion peace treaty "which will make possible restoration of unity of Germany" thus suggesting treaty may come before full unity attained.

Berlin not neglected; special resolution for resistance there.[3]

Sensitiveness to west rearmament and anti-Communist measures indicated by strong protests, warnings of retribution to "quislings" and informants. Special scorn for inclusion west Germans as equals in "Anglo-American aggression army". Failure of congress to give new major impetus to Communist drive may indicate Communist hesitation, wish to keep hands free for later decision, or merely normal Communist practice redundant propagation SED Congress impetus for some months yet, while keeping next major move secret. Absence alert police in parade and of ominous references to Soviet Army should not, in our view, be read as sign of slackened pressure but rather nature of occasion. East press admittedly published only excerpts of congress speeches and Grotewohl said to have made important speech in closed session. So full import of congress probably yet to be disclosed. Mean-

[3] In telegram 328, September 1, from Berlin, not printed, Page reported that the resolution on Berlin had called for a unified democratic Berlin and resistance to the "American Mayor" Reuter. East Sector Mayor Ebert in his opening speech had stressed the quadripartite status of the city, and Page was unclear what significance lay behind this. (762B.00/9–150)

while can only say that congress has only moderately increased probability of big move in October (Frankfort's D–339 August 4 [4]).

Department pass Moscow; sent Frankfort 356, repeated information Department 306, Moscow 31, pouched London, Paris, Rome.

PAGE

[4] Not printed.

Editorial Note

At his press conference on August 30, Secretary Acheson made the following statement:

"I have been advised that an election law for the October 15, 1950 elections to the East German parliament has been passed by the so-called German Democratic Republic, the puppet Communist regime which the Soviet Union has established in Eastern Germany. Contrary to one of the basic principles of democratic practice, this election law makes absolutely no provision for a secret vote. I understand that according to the law, the voter is handed the ballot as he enters the voting place. His name is checked off a list. If he desires, he may then make a change on the ballot although no booth or other secret place is provided for him to do that. If he makes a change he is automatically recognized as an anti-Communist, for those voting the Communist ticket do not have to make any indication whatever on the ballot. The voter is then required to drop his ballot into an urn. This entire process takes place in front of the voting board, the members of which are all members of the Communist Party or its affiliated organizations. I hardly need point out how brazen an example this is of typical Communist degradation of the democratic process." (Department of State Press Release #883, August 30, 1950)

648.62B3/9–1150: Telegram

The Acting United States High Commissioner for Germany (Hays) to the Secretary of State [1]

CONFIDENTIAL FRANKFORT, September 11, 1950—8 p. m.

2144. Following letter dated August 24 addressed to Chairman HICOM and referred PolCom for September 8 meeting.

"On 6 July 1950 an agreement was concluded between the governments of the so-called German Democratic Republic and of Republic of Poland accepting the so-called Oder-Neisse line as frontier between Germany and Poland. German translation of this agreement is attached.

Federal Government protests against this agreement on basis of following legal arguments:

[1] The source text was sent as 2144 to the Department of State.

According to statements of Allies of 5 June 1945 Germany did not cease to exist as state with its territory as it was on 31 December 1937. The territory east of Oder and Neisse therefore is part of Germany. Even though this area as part of Soviet Zone of occupation was turned over to the Republic of Poland for temporary administration this was done with proviso that changes in territory of Germany could only be made by peace treaty. The government so-called German Democratic Republic has no right to enter into covenants which anticipate the peace treaty and which even at conclusion of peace treaty could only be entered into by government based on free democratic elections and representing the will of the majority of German people. The provisional government of German Democratic Republic in no way possesses this qualification. The government of Federal Republic of Germany therefore considers the above agreement on demarcation of border between Germany and Poland as contrary to law and void.

I should like to ask you, Mr. High Commissioner to bring the above declaration to notice of allied government and of all governments with which the allied powers maintain relations. [Adenauer]"

PolCom deferred action until next meeting September 15 as French not prepared discuss. US member suggested on assumption Chancellor request be approved next meeting that three delegates consider advisability having HICOM or three governments take opportunity to endorse German declaration at time of transmitting text. This suggestion was put forward in connection with paragraph 78 of PEPCO program which suggested "enunciation at appropriate time of Allied policy statement on matter of Germany's eastern frontiers and former German territories now under Polish administration."

Adenauer's request for circulation his government's [declaration] would seem to afford good opportunity for Allied statement this subject. Specific method conveying Allied views was not discussed PolCom meeting and British and French verbally indicated they would consider US suggestion.

Department reaction to either with indication of preferred method registering Allied statement or protest would be appreciated.[2]

Pass Moscow priority. Sent Department 2144, London 167, Paris 174, Moscow 23, Warsaw 16.

HAYS

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[2] In telegram 2052, September 14, to Frankfort, not printed, the Department of State stated that it perceived "no objection having HICOM restate Allied position that final determination Ger-Pol boundaries must await final peace settlement" (648.62B3/9–1150). In subsequent meetings of the Political Committee on September 15, 22, and 29, however, the French expressed reluctance at a Governmental or High Commission protest and were supported by the British, who suggested that the Federal Government's letter be transmitted to all governments having missions in Bonn, military missions in Berlin, and all occupying powers. This procedure was adopted on September 29 and the protest note with a High Commission covering letter was dispatched. (Telegrams 146, September 15, and 185, October 3, from Bonn; 2571, from Frankfort, September 25, and 2224, to Frankfort, September 21, none printed, 762A.022/9–1550 ff.)

762B.00/10–450 : Telegram

The United States High Commissioner for Germany (McCloy) to the United States Liaison Office at Bonn [1]

SECRET FRANKFORT, October 4, 1950—9 p. m.

57. PEPCO, at October 3 meeting, reached these conclusions re Soviet zone elections which you may wish discuss with British, French and Germans:

1. Meeting of Allies and Germans should take place, as you suggested, next week, preferably October 11, to exchange information and views and, if possible, decide on common line.

2. If information on nature of ballot still not available at that time, small group in Berlin should be delegated authority to make decision on basis last minute information and intelligence reports. Think it likely precise information will not become available until last minute, by which time it may be too late coordinate views between Berlin, Bonn and here. Think Berlin group should represent major parties, through delegates appointed from Berlin, and Kaiser Ministry. Delegates from each Allied element could be attached in advisory capacities.

3. If delegation decision to Berlin group agreeable, think Germans should begin thinking now of who delegates will be.

4. Latest intelligence available here indicates that it may not be possible invalidate ballots, that Soviets may print several types of ballots to throw us off track, and that as of yesterday no ballots yet printed.

5. We are still reluctant to go along with approach of encouraging east Germans to vote "yes", e. g., of taking affirmative action required to endorse ballot. If it proves impossible instruct on method invalidation, we think best line would be to encourage electorate to go through voting procedure in normal fashion, to do what Soviets require, and not to expose themselves to danger or reprisals. Though this adds up to same thing as "vote yes" line, we feel it better inform electorate to act like Soviet-tended sheep than to tell them to go out and register affirmation of ballot.

Sent Bonn 57 for Liaison Office repeated info Berlin 193 Department 2838.

McCLOY

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[1] At Bonn, the Liaison and Political Reporting Division of the Office of the U.S. High Commissioner for Germany maintained contact with British and French officials and with officials of the Federal Republic of Germany.

The source text was sent as 2838 to the Department of State.

396.1NE/10-650 : Telegram

The Director of the Berlin Element, HICOG (Page) to the Office of the United States High Commissioner for Germany, at Frankfort [1]

SECRET BERLIN, October 6, 1950—2 p. m.

589. PEPCO from Morgan. Probable effects New York Foreign Ministers' communiqué [2] on USSR/GDR German policy difficult distinguish from those of Communist reversal Korea, Secretary State's UN proposals and other factors recently strengthening free world position. Believe more useful attempt join [*joint?*] appraisal, for which following considerations offered as possible ingredients, though aware topic unusually risky until Korean outcome settled.

1. Communist comment concerning Germany so far apparently restricted to SED–GDR level; e.g. GDR communiqué on Foreign Ministers (our 511, September 23, repeated Department 448, Moscow 51, pouched London, Paris, Rome [3]) merely reprinted in *Pravda.* Assume it has Kremlin clearance but believe Kremlin will make top level review its strategy and assets with reference to Germany as well as other areas, results of which should be at least partially indicated when Kremlin breaks official silence (November 6 Politburo speech at latest), as well as by Soviet actions next few weeks.

2. Apart from immediate necessity such review, probable anyway that Soviets would assess year's progress of GDR at time of October elections as basis decision whether ready for another step forward and, if so, how much. This may explain relative absence communist events publicly scheduled for Germany after October 15 (nothing except "all-German" Berlin Peace Congress November 4–5).

3. Meanwhile GDR communiqué is most explicit Communist pronouncement on New York Foreign Ministers re Germany and seems to make completion of "legal" build-up for whatever move Soviets may decide. Basic impressions from it:

(*a*) SED-national front drive to unify Germany from East to continue along established lines with increasing vigor, seeking utilize free world challenge as stimulus. (This interpretation also supported by initial press comment on Korea—our 562, October 2, repeated Department 498.[3]

(*b*) Stimulus depicted as increased danger: New York communiqué called link in chain of operations against "all peace-loving peoples"; after war in Korea etc., "now follows *decisive* grab at Western Germany". This means "serious conclusions" for said peoples: Threat to "German national existence" and to world peace.

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[1] The source text was sent as 523 to the Department of State.

[2] For the text of the Foreign Ministers communiqué on Germany, released to the press on September 19, see vol. III, p. 1296.

[3] Not printed.

(*c*) Communist stress on Potsdam makes probable that move to "meet" threat will be based on SED–GDR "fulfillment" and Western "violations" Potsdam (our D–162, September 14 [4]).

(*d*) Foreign Ministers' security guarantee was reported factually in SED Politburo declaration (our 501, September 22, repeated Department 437 [4]), given peculiar twist by GDR communiqué: Foreign Ministers state "with provocative intent" "that even efforts within framework of principles of Potsdam Agreement for securing democracy and peace in Western Germany and Western Berlin shall be considered directly as attack on West occupying powers". Though this implies Foreign Ministers guarantee crosses Communist plans, also suggests such "efforts" will nevertheless continue in "compliance" Potsdam; communiqué ends with call for national resistance which officially commits GDR. Gist of Communist line now is: West powers will "start" war (alleging German "peace" efforts as aggression) unless resistance movement succeeds.

(*e*) Formal language of charges that West powers violated Potsdam and theaten peace, plus transmission of communiqué to all governments recognizing GDR, suggests preparation for some kind of concerted orbit diplomatic move. Similar impression given by recent joint declarations GDR, Rumania, Bulgaria, which declared unified Germany "vital interest" all peace powers, and by Dertinger Declaration on "Outline of Peaceful German Foreign Policy" made to GDR People's Chamber September 27, stressing need for "guarantee" against threat from West (Frankfort's D–1033, September 28 [5]). Rumanian and Bulgarian agreements and admission GDR to CEMA also seem to complete preliminary stage of inter-satellite organization.

4. The evolution of Soviet German policy has made plausible for some months expect [*expected*] important attempt strengthen position of GDR vs. West in connection with October elections. Communists have so far avoided open commitment (our 356, August 28, repeated Department 30 [*306*], Moscow 31 [6]). Assume Soviets in order keep their end up will at least pretend give GDR more than Foreign Ministers gave Federal Republic, including security guarantees. Recent references to peace treaty suggest it will continue be used for agitation to get Western powers out of Germany rather than unilaterally granted by USSR (our D–202, September 29 [5]). If so, Soviets may offer pact without that name, perhaps multilateral for orbit, including mutual defense, termination Control Commission, promise troop withdrawal (except such as requested remain), as proof their fulfillment of "claims" earned under Potsdam by GDR which after elections is "legitimate government of all Germany". However, if USSR decides retain overt status as occupying power in face growing military forces of West, alternative course might be: Security guarantee, perhaps declared jointly by all satellite Foreign Ministers, assertion GDR sole

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[4] Not printed.
[5] *Ante*, p. 967.

legitimate German Government but Soviet occupation to continue in order protect Germany until Western powers ousted, Western powers forfeited status as occupants by violation Potsdam hence asked to leave, orbit powers to deal solely with GDR (not with Western powers) on all matters relating to Germany. This course more extreme, believed less likely. Many combinations of above or similar moves possible. In general they would add little in reality to orbit's already monolithic structure, and would probably have slight effect even as propaganda; their interest would rather be as indications of further Soviet-GDR action. Any pronounced step of above types would confront West with serious inconvenience on basis non-recognition of GDR, and would set stage for possible new phase of USSR/GDR drive to unify Germany in which Communists compelled resort to ever more drastic measures as others fail, else accept major defeat.

5. If that phase entered, Soviets might precede more drastic of above moves with notes to Western Powers stating GDR legitimate government all Germany and proposing CFM to negotiate peace treaty. West's refusal would then be cited as added excuse for next steps.

Department pass Moscow, sent Frankfort 589, repeated information Department 523, Moscow 58, London 53, Paris 108, Rome 8, Warsaw unnumbered, Praha unnumbered. [Morgan.]

PAGE

762B.00/10–450 : Telegram

The Acting Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfort

SECRET PRIORITY WASHINGTON, October 6, 1950—8 p. m.

2627. Urtel 2838 Oct. 4.[1] We are not sure we understand ur para 5. However consider shld not "encourage" East German electorate to go through voting procedure. For one thing such action wld seem contradictory to tenor of ltr to Chuikov in which we protest against these very elections.[2] Prefer our media omit instrs. Suggest instead initiating immediately campaign on theme Sovs–SED have failed to yield to long-standing popular pressure, in and outside Eastern zone, for elections and after initial one year postponement, are instead embarked on farce which might be considered census "Volkszaehlung" or new type entertainment for Sov rulers and their satellites but manifestly lacks any and all characteristics of an election. Believe this line will make possible for us as well as East Gers to discredit Oct 15 elections *in toto* and deny value their forced participation.

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[1] Same as telegram 57, p. 971.

[2] For the text of McCloy's letter to Chuikov, dated October 10, see telegram 2791, October 3, p. 663.

Refusal to accept Oct 15 farce as election at all shld permit us renew demand for genuine East zone elections, in accordance Bundestag resolution[3] and HICOM's letters to Chuikov, and simultaneously call on East Gers to stage elections demands, in ostentatious ignoring of Oct 15 farce, with all means that can be devised (including slogan "We Want Elections" scribbled on walls, etc.). These popular demands, with fullest support by our media, to climax on Oct 15 thus transforming the day of Sov farce into culmination of anti-Sov "underground" campaign.

If you concur, will seek to enlist maximum support for this line back here, possibly with statements by Secretary and public figures outside the government.[4]

WEBB

[3] Regarding the Bundestag resolution of September 14, see telegram 49, September 27, p. 659.

[4] In telegram 3098, October 13, from Frankfort, not printed, McCloy replied that there was "no intention urging East Germans vote 'yes'. Believe statements by Secretary and other public figures on elections or announced election results should continue to emphasize lack of choice for individual, atmosphere of terror and invalidity of so-called elections." (762B.00/10–1350)

Editorial Note

At the end of October a paper entitled "United States Policy With Respect to Berlin and Eastern Germany" was submitted to the National Security Council, becoming NSC 89 on October 20. Regarding this paper, see the Paper prepared by McCloy and others, August 29, page 867.

762B.00/10–2150 : Telegram

The Director of the Berlin Element, HICOG (Page) to the Office of the United States High Commissioner for Germany, at Frankfort[1]

CONFIDENTIAL BERLIN, October 21, 1950—8 a. m.

666. From Morgan. PEPCO. Political results in Soviet zone of October 19 election believed mixed.[2] While voting further consolidated GDR control, general impression here that Communists dissatisfied with progress and that election played part.

Communists used year preceding election consolidate power in GDR. Formal opposition eliminated by bourgeois party purges, common

[1] The source text was sent as 590 to the Department of State.

[2] According to the Soviet Zone News Agency 98.44% of the eligible voters voted, of whom 35,000 voted against the candidates and 16,000 cast invalid ballots. Telegram 567, October 16, from Berlin, not printed (762B.00/10–1650).

election program, unity list. Election "victory" expected to end "provisional" status GDR Government.

Important questions in judging results election is effect of campaign intimidation on resistance to regime. Resentment and contempt probably increased as result of Communist efforts to "get out vote" and prevent demonstration opposition at polls. However, increased resentment probably accompanied by depressing recognition that regime can make people outwardly jump through hoop despite hostile convictions.

Joint effort among allies and Germans to agree on common line on election and advice to Soviet zone voter gratifying, despite minor backstage differences. Likely that East Germans sensed quickened western interest in their lot. Believe they sympathetic approach to their predicament and pressures upon them. Protestant Church leaders reported objections by pastors to advice to go to polls, after church leaders advised pastors to stay away.

Though effects of elections on opposition to regime difficult to gauge, observers and informants agree opposition strongly bolstered by Korea victories. Hence problem now is how capitalize on this together with heightened western, especially German, concern for and unity of action toward Soviet zone which elections stimulated. Net result of elections steam roller may be weakened will to resist unless ways of expressing opposition devised. Ideal methods would be those that would receive general support and minimize Communist retribution. Underlying question, depending on wider strategic estimates, how far militancy should be maintained or increased, how far opposition should be kept passive yet nurtured for later crescendo. Vital factor in either case would be awareness of common goal and grounds for hope.

Notable lack of indication in Soviet press since election of where we go from here, other than claim that it confirm support of Communist program and is only first step in implementation national front program. Press interest now shifted to peace movement, at least for moment.

Sent Frankfort 666, repeated info Department 590, Moscow 70, Paris 127, London 63. Department pass Moscow. [Morgan.]

PAGE

762B.00/11-1750 : Telegram

The Director of the Berlin Element, HICOG (Page) to the Office of the United States High Commissioner for Germany, at Frankfort [1]

CONFIDENTIAL BERLIN, November 17, 1950—8 a. m.

794. From Morgan. Grotewohl declaration GDR government policy before "People's Chamber" November 15 [2] was preceded by formal presentation Cabinet which little changed from previous. Loch, Bolz, and Rau (planning commission chairman) become deputy premiers in addition keeping their ministries while Kastner eliminated.[3] Ulbricht and Nuschke [4] keep posts as do APL [*all?*] ministers except Goldenbaum,[5] [who was replaced by?] Scholz, deputy chief Democratic Farmers Party. Steidle is Health Minister while New Labor Ministry headed by Roman Chwalek, high FDGB official. Selbmann remains as Minister Heavy Industry, while Wilhelm Feldmann (National Democratic Party) becomes Minister Light Industry and Gerhard Ziller (SED) Minister Machine Construction. Deputy ministers not yet announced.

Policy declaration adopts national front program (our 356, August 28; repeated Department 306), says government putting "all forces in direction of thrust which corresponds to demands of national front", for which GDR is "strongest and most fruitful basis." States chief task is struggle for peace: "Policy of west powers drives toward fratricidal war," constitutes "immediate threat to peace."

Chief political interest of statements is further specification of Praha proposals.[6] Grotewohl adds "Constituent Council" [7] "could take over preparation of conditions for carrying out free all-German elections for a national assembly."

Dealing again with obviously troublesome point of parity between representative East and West Germany, he defends this condition as guarantee that neither side will out-vote other. "One can point out that the numerical representation of the population will be achieved through all-German elections which we consider necessity in Germany."

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[1] The source text was sent as 706 to the Department of State.

[2] For the full text of Grotewohl's declaration, see Otto Grotewohl, *Im Kampf um die Einige Deutsche Demokratische Republik* (Berlin, Dietz Verlag, 1954), Band II (1950–1951), pp. 252–299.

[3] Hans Loch (NDP), Minister of Finance, Lothar Bolz (NDP), Minister for Reconstruction, and Heinrich Rau (SED) became Deputy Premiers, while Hermann Kastner (LDP) was removed from his post as Deputy Premier.

[4] Walter Ulbricht (SED) and Otto Nuschke (CDU), Deputy Premiers in the first Grotewohl Government.

[5] Ernst Goldenbaum (DBD), Minister of Agriculture and Forestry in the First Grotewohl Government was replaced by Paul Scholz (DBD).

[6] Regarding the Praha declaration, see the editorial note, p. 665.

[7] For further documentation on the all-German Constituent Council, see pp. 590 ff.

Can comment that foregoing still does not make clear whether elections to be held before or after inauguration "provisional government" and withdrawal allied troops. May reflect belated insertion "free election" theme into GDR proposals to maximize propaganda effectiveness Constituent Council idea West Germany, or may be deliberate deceit. Appeals repeated to West German politicians to meet with GDR. Omission all attacks on Adenauer, Schumacher or FedRep (only Kaiser sabotage mentioned), while concentrating attack on west allies, reinforces aura "sweet reasonableness" toward West Germans.

However, Grotewohl includes hint that unilateral Communist action still possible if all else fails. Since formation Constituent Council so important in fight peace Europe, "government GDR has intention undertaking steps necessary for having such conversations between representatives from East and West Germany come into being." GDR also endorses idea of plebiscite as "especially valuable and necessary" on remilitarization and/or Constituent Council. If such held, GDR populace will also vote.

Foregoing raises question how long present phase propaganda appeal to West Germans and FedRep will continue. Declaration gives no hints, but is pervaded with mood of determination which implies patience not unlimited: e.g. states that if western remilitarization policy continues, "government GDR will do all necessary for promotion peace movement in Germany and for all-around security GDR."

Grotewohl also includes specific threat to churches in East Germany who allegedly exercising their rights but forgetting duties. Church has duty not create artifical opposition to state. "However when group of evangelical church leaders who not only live in West Berlin but also proselytize openly from there for remilitarization our western homeland and furthermore root themselves completely one-sidedly in western opinions, when such group organizes and carries on from West Berlin its political and social disturbance work in GDR, then government will see to it that church and state life can again exist peacefully side by side. Advocating remilitarization is militaristic propaganda and (this) is crime according article 6 our constitution."

Economic program follows well-established line. Past and future economic achievements presented to attract public within and outside GDR. Grotewohl repeats previous arguments that "difficulties in four sector city" insufficient grounds for disruption of interzonal trade negotiations, claims unfavorable trade balance not accurate indication of GDR trade potential and charges US with violation of New York and Paris agreements.[8] Five-year plan aims repeated, bringing into

[8] For the texts of the New York agreement of May 5, 1949, which ended the Berlin blockade and the communiqué of the sixth session of the Council of Foreign Ministers, June 20, 1949, see *Foreign Relations*, 1949, vol. III, editorial note, p. 750 and p. 1062, respectively.

sharp relief importance of heavy machine industry. This, together with repetition of claim for GDR role as trade intermediary with east and emphatic demand for interzonal trade "irrespective of all prohibitions of western occupation powers," seems to outline desired economic relationship to West Germany.

Despite boast of grandiose economic achievements, actual living standard objectives much more moderate: merely claim living standard will "exceed that of 1936 through achievement five-year plan." Only "gradual discontinuation of rationing" promised, which will take into account "interest of working population which desires that discontinuance of ration card system be accomplished at lowest possible price level." Activities of smugglers in West Berlin said to require reexamination of derationing in Berlin.

Reference to multilateral trading in future through membership in CEMA indicates possible moves of economic and financial integration of CEMA countries at least to extent of creating multilateral clearing account and supporting monetary fund.

Sent Frankfort 794; repeated info Department 706. [Morgan.]

PAGE

HUNGARY

THE CONTINUED DETERIORATION IN RELATIONS WITH HUNGARY; EFFORTS TO ACHIEVE THE RELEASE OF ROBERT A. VOGELER FROM HUNGARIAN IMPRISONMENT[1]

264.1111 Vogeler, Robert A./1–350

The Minister in Hungary (Davis) to the Hungarian Foreign Minister (Kallai)[2]

[BUDAPEST, January 3, 1950.]

EXCELLENCY: I have the honor to refer to the note which I communicated to you on December 20, 1949,[3] and to the Hungarian Government's reply thereto on December 24,[4] concerning the case of Mr. Robert Vogeler, an American citizen.

The Government of Hungary has clearly failed in this case to live up to its obligations under the Treaty of Friendship, Commerce and Consular Rights between the United States and Hungary[5] and to the accepted standards of international practice in regard to the right

[1] Robert A. Vogeler, an American citizen and Assistant Vice President of the International Telephone and Telegraph Corporation, was arrested on November 18, 1949, by Hungarian security police on allegations of espionage and sabotage. Documentation regarding his arrest and detention incommunicado and other principal issues in the deterioration in relations with Hungary during 1949 is presented in *Foreign Relations*, 1949, vol. v, pp. 451 ff.

[2] Telegram 739, December 30, 1949, to Budapest, not printed, authorized Minister Davis to delay presentation of this note for several days in order to afford the Hungarian Government a final opportunity to revise its stand before action was taken to close the Hungarian Consulates in New York and Cleveland (364.-1121 Vogeler, Robert A.). Attempts by the Legation in Budapest to elicit some positive reaction from the Hungarian Foreign Ministry were of no avail, and this note was handed to Hungarian Undersecretary for Foreign Affairs Andor Berei on the morning of January 3, 1950. The text of this note was released to the press by the Department of State that same day.

In a reply of January 7 to the Legation in Budapest, the Hungarian Foreign Ministry reasserted the right of the Hungarian Government to investigate Vogeler for espionage; denied that Hungary had violated the U.S.-Hungarian Treaty of Friendship, Commerce, and Consular Rights of 1925; and reviewed previous exchanges with the Legation in connection with the Vogeler case. For the text of the Hungarian note of January 7, see Information Department, Hungarian Ministry for Foreign Affairs, *Documents on the Hostile Activity of the United States Government Against the Hungarian People's Republic* (Budapest: Hungarian State Publishing House, 1951), pp. 167–170. On January 14 the Hungarian Legation in Washington informed the Department of State that the Hungarian Consulates in New York and Cleveland had been closed as of that date.

[3] For text, see Department of State *Bulletin*, January 2, 1950, pp. 21–22.

[4] For text, see *ibid.*, January 16, 1950, p. 96, or *Documents on the Hostile Activity of the United States*, pp. 162–163.

[5] For the text of the treaty under reference, dated June 24, 1925, see *Foreign Relations*, 1925, vol. II, p. 341, Department of State Treaty Series No. 748, or 44 Stat. (pt. 3) 2441.

of consular officers to extend protection to nationals of their country. This right is in no way limited by the fact that a United States national may be accused of violating Hungarian law or detained on such charges or by the nature of the accusations levelled against him. Indeed it is precisely in the case of those nationals who are accused of crime and detained that the exercise of the consular right of protection is most urgently required. Yet the Hungarian Government has for more than forty days denied all access to Mr. Vogeler. Another American citizen, Mr. Israel Jacobson, was, moreover, held incommunicado for nearly two weeks by the Hungarian police and has now been expelled from Hungary without the charges against him having been officially made known to me in spite of repeated requests on my part.[6]

The Hungarian Government, in its note of December 24, accuses Mr. Vogeler of "espionage and sabotage" and arbitrarily states that Mr. Vogeler is guilty of these charges even before he is afforded any sort of public hearing or judicial examination. The question arises whether it is now accepted judicial procedure in Hungary that the police shall draw up the charges, produce a "confession" and hand down the verdict, before a case is even brought before a court of law. The United States Government states categorically that it cannot recognize as just or in any way conclusive as to the facts of the case such arbitrary judgment by the police or any subsequent action by a court which, without impartial examination and weighing of the evidence, merely endorses a verdict of guilty announced *a priori* by the police authorities.

My Government has seen no shred of evidence which would indicate that the charges lodged against Mr. Vogeler, or those directed by the Hungarian press and radio against Mr. Jacobson, as anything but unfounded. Mr. Vogeler has been engaged in strictly legitimate private business mutually advantageous to his company and to the Hungarian economy. Mr. Jacobson has been engaged in the humanitarian work of caring for thousands of indigent men, women and children of Hungarian nationality for whom the Hungarian Government was not providing. The Hungarian Government has been fully cognizant of the activities of both of these men over a long period and has permitted them to continue because it profited by those activities.

Apparently it has become increasingly inconvenient to the Government of Hungary that the Hungarian people should have contact with representatives of the free world. It suits its purpose, moreover, that these contacts should be severed in a manner which represents quite normal and necessary business practices as "espionage and sabotage".

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[6] For documentation relating to the arrest, detention, and release in late December 1949 of Israel G. Jacobsen, Director in Hungary of the American Joint Distribution Committee, see *Foreign Relations*, 1949, vol. v, pp. 451 ff.

Under these circumstances, in which any United States businessman or relief administrator in Hungary may be subject to arbitrary arrest and imprisonment, the United States Government has found it necessary to refuse to permit private American citizens henceforth to travel in Hungary.

In view, moreover, of the serious restrictions placed by the Hungarian Government on the exercise of consular rights recognized under international law, as prescribed in the Treaty of Friendship, Commerce and Consular Rights between the United States and Hungary, the Government of the United States finds it inappropriate to continue to permit the maintenance of separate Hungarian consular establishments in Cleveland, Ohio, and New York City.

I am accordingly instructed by my Government to inform you that recognition of the Hungarian Consul in New York City is withdrawn and that the consular establishments in New York and in Cleveland are required to cease all operations and to close on or before 12 o'clock midnight, January 15, 1950. You are further informed that all consular functions which the Hungarian Government may wish to perform within the United States must thereafter be conducted through the Legation of Hungary in Washington, D.C.

The Government of Hungary is again reminded that, as long as the rights and interests of the United States and its nationals continue to be so grossly violated in Hungary, other relations between the United States and Hungary cannot fail to be seriously affected.

A copy of this communication is being brought to the attention of the Minister of Hungary in Washington.

Accept [etc.] [NATHANIEL P. DAVIS]

264.1111 Vogeler, Robert A./1-1950 : Telegram

The Secretary of State to the Legation in Hungary

SECRET PRIORITY WASHINGTON, January 26, 1950—6 p. m.

26. Ur 42 Jan 19 rptd Vienna 14 Prague 5 London 6.[1] Since Rakosi interview confirms no hope obtaining Vogeler's release prior trial, our efforts shld be directed toward securing acquittal, even though this

[1] Not printed. In it Minister Davis reported that he had had a long interview on the Vogeler case that day with Mátayás Rákosi, Hungarian Deputy Prime Minister and Secretary General of the Hungarian Workers' Party. Davis reported that Rákosi would not listen to any arguments in Vogeler's behalf, confirmed the determination of the Hungarian Government to hold the Vogeler trial within a few weeks, seemed genuinely to believe that Vogeler was guilty of espionage and confident of Hungary's ability to prove it, continued to refuse a visit by American consular officers to Vogeler, and assured Davis that the trial would prove Vogeler's guilt and the involvement of members of the American Legation "who can expect the usual treatment of diplomats who overstep their legitimate duties." (264.1111 Vogeler, Robert A./1-1950) Minister Davis' note of February 1 to Hungarian Foreign Minister Kállai (*infra*), included a review of this conversation with Rákosi.

considered unlikely, or commutation sentence and expulsion after probable conviction, as has just occurred in case Swed cit tried and convicted in Czecho.

With this objective in mind, we consider further publicized acts retaliation on our part prior trial wld be likely increase Hung obstinacy and jeopardize eventual expulsion Vogeler. On other hand we incline to belief additional measures known to Hung Govt but not publicized wld demonstrate our determination intensify pressure until Vogeler released and hence might increase chances favorable action immed fol trial. Commerce is now denying licenses for exports to Hung. This measure, however, affects only limited range commodities subject license and cannot therefore be expected have appreciable effect on Hung Govt's attitude. We expect also explore, without public announcement but in manner which will doubtless become known to Hung Govt, other possible measures econ retaliation against Hung in US and West Ger. Finally, we are considering prompt measures re restitution whereby further delivery goods to Hung can be refused and restitution problem disposed of conclusively without entailing US breach Art 30 Peace Treaty.[2] Details will be cabled soonest. Ur comments these steps requested.

Recognizing that there is little chance of their acceptance, we nevertheless believe it is now desirable formally to present our demands for legal safeguards in connection with trial. Demands listed in immed fol tel [3] represent this Govt's views of minimum safeguards required for protection Vogeler's rights. In event Hung Govt rejects these you are authorized negotiate for and accept less under protest, obtaining maximum possible.

Shld Hung Govt question legal propriety of demand for Amer lawyer (ur 11 Jan 4 rptd Vienna 6 [4]), you might call attn Reichstag trial in which Dimitrov demanded right to be represented at trial by foreign lawyers of his choosing, naming 2 Bulgs, an Amer and others, and add that while Nazi Supreme Court denied request it permitted such lawyers to be present at trial, send communications to court, publish communications and with the assistance of Ger counsel of record to participate in the proceedings.[5] Wld Hung court deny what even Nazis permitted as elementary justice?

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[2] The reference here is to the Treaty of Peace with Hungary, signed at Paris, February 10, 1947; for text, see Department of State Treaties and Other International Acts Series (TIAS) No. 1651, or 61 Stat. (pt. 2) 2065.

[3] Telegram 27, January 26, to Budapest, not printed, contained the draft text of a note from Minister Davis to the Hungarian Foreign Minister. The draft text was revised as a result of an exchange of messages between the Department of State and the Legation; see footnote 6, below. For the text of the note as delivered to the Hungarian Foreign Ministry on February 1, see *infra*.

[4] Not printed.

[5] Georgi Dimitrov, Bulgarian Prime Minister and Secretary General of the Bulgarian Workers' (Communist) Party, died in July 1949. In 1933, Dimitrov, then an exiled leader of the Bulgarian Communist Party and officer of the Communist International, was one of several persons tried by a German court in connection with the burning of the German Reichstag building. Dimitrov was acquitted and deported.

If it is argued Hung law does not permit foreign lawyer participate you shld call attn to fact US courts interpret US Constitution to permit choice of lawyer by accused even outside bar of jurisdiction, and to internatl rule of comity by which all courts in exercise own discretion permit foreign lawyer to appear *pro hac vice*. You shld state that such practice exists all US courts which otherwise are also governed by statutes confining court practice to lawyers admitted to practice at local bar. Distinction is thus drawn between practice of profession and appearance in single case. Similar contention shld be made re demand Amer doctor.[6]

Hung Govt may inquire who is retaining Amer lawyer on Vogeler's behalf, or may assert Hung auths will designate counsel for Vogeler or that Hung auths will insist Vogeler himself make choice. In any such event, you shld state that wife, other members family and friends concerned his welfare have right and insist upon right retain Amer lawyer his behalf, which US Govt supports. Dept conferring with IT&T officials who in turn will clear with Vogeler's wife and other members family, re arrangements for Amer legal and medical experts in event Hung Govt shld accept US demands. Instrs will fol soonest re retention Hung legal counsel.

Immed fol tel contains verbatim text note which, if you concur, shld be communicated Hung FonMin at earliest opportunity. We plan not to release note at this time.

Leg Budapest and Emb London shld immed bring substance foregoing and text proposed note attn Brit colleague and FonOff respectively.[7] Dept understands from Brit Emb here that Brit Govt prepared take parallel action re Sanders.[8]

Sent Budapest rptd Vienna, Prague, London.

ACHESON

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[6] The draft text of the note contained in telegram 27, January 26, to Budapest (see footnote 3, above) included a request for permission for an American doctor to ascertain Vogeler's physical condition and treatment. In his telegram 58, January 28, from Budapest, not printed, Minister Davis suggested that such a request would all but make certain the Hungarian rejection of the note. Davis urged the request be made in a separate, subsequent note (264.1111 Vogeler, Robert A./1–2850). Telegram 32, January 30, to Budapest, not printed, agreed to the deletion of the request but affirmed the Department's belief that such a demand was an essential step against the contingencies that might occur in connection with Vogeler's trial (264.1111 Vogeler, Robert A./1–3050).

[7] Telegram 572, February 1, from London, not printed, reported that the British Minister in Hungary, Geoffrey A. Wallinger, had asked the British Foreign Office to make a last minute effort to persuade the Department of State to "tone down" the proposed American note regarding Vogeler. The Foreign Office apparently agreed that the note was too strong in parts but did not feel in a position to intervene (264.1111 Vogeler, Robert A./2–150).

[8] Edgar Sanders, a British citizen and a representative in Hungary of the International Telephone and Telegraph Corporation, was, like Vogeler, arrested by Hungarian authorities in November 1949 on suspicion of espionage and subsequently held incommunicado. Telegram 716, February 8, from London, not printed, reported that the British Foreign Office expected to allow the British Minister in Budapest to make a "primarily oral" request for a British lawyer to assist in Sanders' defense (264.1111 Vogeler, Robert A./2–850).

264.1111 Vogeler, Robert A./2–550

The Minister in Hungary (Davis) to the Hungarian Foreign Minister (Kállai)[1]

No. 34 BUDAPEST, February 1, 1950.

I have the honor to refer to the Hungarian Government's reply of January 7, 1950, to the note which I communicated to you under date of January 3 concerning the case of Mr. Robert A. Vogeler.[2]

I am instructed by my government to state that it regards the abovementioned reply of the Hungarian Government as wholly unsatisfactory. The Hungarian Government cannot, in the view of my government, avoid its international responsibilities and obligations in the Vogeler case by asserting this matter is entirely an internal affair of Hungary. The United States Government considers that it has every right to concern itself with the treatment of this American citizen, who has been detained for over two months without access to American Consular representatives or, so far as I am aware, to legal counsel. The United States Government will continue to concern itself with Mr. Vogeler's situation and until his release will hold the Hungarian Government responsible in every particular as regards his well being.

In an interview on January 19[3] the Deputy Prime Minister of Hungary informed me that, in spite of the repeated representations of the United States Government Mr. Vogeler would shortly be brought to trial. The United States Government cannot accept such action as justified, especially since the Hungarian Government has refused to give me any explanation of the charges against Mr. Vogeler and has refused all of my requests concerning an opportunity for American Consular Officers to see him.

The Deputy Prime Minister further informed me that the trial of Mr. Vogeler would be public in order that the world might judge the correctness of Hungarian justice and assured me that Mr. Vogeler would have full opportunity to defend himself and might have as many Hungarian lawyers as he desired. In the light of these assurances, I am directed by my government to invite your attention to the following:

Without prejudice in any way to its continuing demand for Mr. Vogeler's prompt release and liberty to depart from Hungary or to the reservation of rights respecting possible claims contained

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[1] The source text was transmitted to the Department of State in despatch 167, February 5, from Budapest, not printed.

[2] For Minister Davis' note of January 3 under reference here, see p. 980; regarding the Hungarian reply of January 7, see footnote 2, *ibid.*

[3] Regarding the interview under reference here, see footnote 1, *supra.*

in my note of December 20, 1949,[4] the United States Government asserts the right of Mr. Vogeler to the services of legal counsel retained on his behalf irrespective of the membership of such counsel in the Hungarian bar. In this connection, the United States Government requests that the Hungarian Government agree to the immediate entry of a private American lawyer and such assistants as he may require, whose purpose will be to consult at once with Mr. Vogeler and the Hungarian legal counsel retained on Mr. Vogeler's behalf and to associate himself, together with his assistants, in the preparation of Mr. Vogeler's defense. Arrangements are now being made for the retention of such an American lawyer, whose name will be communicated promptly to the Hungarian Government.

The United States Government insists that American Consular Officers and the legal counsel retained on Mr. Vogeler's behalf be afforded immediate and thereafter continuous access to Mr. Vogeler with assurance of adequate opportunity to converse freely with him, prepare his case, and inquire fully into all matters which the Consular Officers, his legal counsel, or Mr. Vogeler may consider pertinent for discussion. The United States Government requests also that the Hungarian Government give unqualified assurances that the legal counsel serving Mr. Vogeler will be wholly free to represent their client in a forthright manner and to conduct the latter's defense in a manner best calculated to serve his interests. Further, the United States Government requests that Mr. Vogeler's legal counsel and the American Consular representatives observing the trials shall have free access day by day to the verbatim record of the proceedings of the court in this case. The United States Government also desires assurance that representatives of the American Legation, Consular or otherwise, will be allowed to attend the trial and that American newspaper correspondents wishing to proceed to Hungary for the same purpose will be permitted to do so and will be admitted to the sessions of the court.

During my interview on January 19, the Deputy Prime Minister also informed me that the trial of Mr. Vogeler would disclose the "involvement" of members of the Legation in this case. I must insist that any such allegations, if they are to be made at the trial, and an explanation of the grounds on which they are based, be communicated to me at once as a matter of right and courtesy, since such charges obviously affect the relations between our two countries.

The Hungarian Government is requested to make a prompt reply in the above matters in order that its intentions may be clearly understood and full opportunity given to Mr. Vogeler's counsel to prepare

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[4] Department of State *Bulletin*, January 2, 1950, pp. 21–22.

adequately for his defense and in order that the conduct of the trial may correspond with the Deputy Prime Minister's assurances.[5]

Accept [etc.] [NATHANIEL P. DAVIS]

[5] In a brief reply on February 6, the Hungarian Foreign Ministry stated that Hungarian law permitted only Hungarian lawyers to undertake the court defense of Robert Vogeler. Foreign correspondents would have an opportunity to attend the trial which would be public. For the full text of the note, see Department of State *Bulletin*, February 27, 1950, p. 325.

264.1111 Vogeler, Robert A. /2–650

Memorandum of Conversation, by the Secretary of State

CONFIDENTIAL [WASHINGTON, February 6, 1950.]

Participants: The Secretary
The Hungarian Minister, Mr. Imre Horvath [1]
Mr. Yost, EE [2]

After an exchange of the usual amenities, the Minister stated that he is leaving for Hungary in a few days in order to bring back his family to the United States. He said that his wife and 17-year old daughter will accompany him here while his 24-year old son will remain in Hungary. He remarked that he had left Hungary for the US last September in such a hurry that he had not been able to make the necessary preparations to bring his family with him.

After a few remarks on this subject, I said that I would like him to take the opportunity of his visit to Budapest to speak to his Foreign Minister about a matter over which I am deeply concerned. I said that I was speaking of the case of Mr. Robert A. Vogeler, a reputable American businessman, who has been held in prison by the Hungarian Government for a period of many weeks, access to whom has been denied to our Minister in Budapest and who I now understand is to be brought to trial. I said that behavior of this kind on the part of any Government is completely outrageous and unacceptable. I asked the Minister to convey my very deep concern on this subject to his Government.

The Minister replied that there was little that he could do on this matter since he understood from the newspapers that Vogeler would soon be brought to trial and we would then learn what action was to be taken. I replied that I was quite aware that there is little that the Minister could do personally but that what I was asking him was to report to his Government the fact that the President and I are both outraged at this inexcusable treatment of an American citizen. I said

[1] Horvath presented his credentials to President Truman on October 17, 1949. This was his first conversation with the Secretary of State.
[2] Charles W. Yost, Director of the Office of Eastern European Affairs.

that I was aware that the Hungarian Prime Minister [3] is a "tough character" but that I can also be tough and that if the Prime Minister were here I should speak to him in much stronger terms than I was now speaking to Mr. Horvath. I pointed out that American public opinion is very much stirred up over this question and repeated that there are certain standards of international behavior which every Government is expected to observe and which are not being observed by the Hungarian Government in this case. The Minister replied that he would certainly report my remarks to his Government.

DEAN ACHESON

[3] The Secretary was presumably referring here to Hungarian Deputy Prime Minister Mátyás Rákosi.

264.1111 Vogeler, Robert A./2–1050 : Telegram

The Secretary of State to the Legation in Hungary [1]

SECRET PRIORITY WASHINGTON, February 11, 1950—3 p. m.
NIACT

56. Ur 82 Feb 10 rptd Vienna 27 London 18.[2] Fol provides info re developments here and instrs re immed steps to be taken by Leg in view announcement Vogeler trial.

I

Morris L. Ernst [3] has been retained by Mrs. Vogeler, other members family, and friends to represent Vogeler's and their interests connection case. On afternoon Feb 12 Ernst will issue brief public statement re his retention according above formula and his intention apply for Hung visa. On Feb 13 Ernst will personally make application Hung Leg here for visa enter Hung. He will then cable direct notification Justice Min Ries re these matters and request sufficient postponement enable him arrive Budapest in due time prior trial.

Leg is accordingly requested immed notify Hung FonOff in writing that (1) US Govt is informed that Ernst has been retained by wife, other members family, and friends to represent Vogeler's and their interests connection case; (2) US has in circumstances validated

[1] Repeated to Vienna as 245 and London as 663.

[2] Not printed. It reported the publication of a communiqué that day by the Hungarian Ministry of Justice announcing the issuance of an indictment by the State Prosecutor of Budapest against Robert Vogeler, Edgar Sanders, and four Hungarian citizens in connection with alleged acts of espionage and other crimes. The trial in Budapest Criminal Court was to begin on February 17 (264.1111 Vogeler, Robert A.) For the text of the indictment, published later, see *R. Vogeler, E. Sanders and Their Accomplices Before the Criminal Court* (Budapest: Hungarian State Publishing House, 1950), pp. 5–20.

[3] Well-known American attorney; member of the New York law firm of Greenbaum, Wolff, & Ernst.

Ernst's passport for travel to Hung; and (3) US Govt is informed that Ernst is applying immed Hung Leg Wash for visa enter Hung. Ur notification shld be confined statement above-mentioned facts.

Re foregoing, it is our view, in which IT&T and Ernst concur, that it is preferable Ernst take these steps on own initiative. At same time we wld, by Leg notification to FonOff along lines above, take cognizance Ernst's status, indicate we approve his travel to Hung, and insure that Hung auths Budapest are promptly aware his visa request. For ur info, shld Ernst be admitted Hung, he wld make every effort negotiate personally arrangements with Hung auths to interview Vogeler and achieve maximum protection Vogeler's interests before, during, and after trial.

Subsequently, if, as is probable, Ernest is refused visa or is not given reply within two days, we contemplate despatch further note to FonOff, as follow-up ur note Feb 1, in which we wld (1) strongly affirm right and justice of Vogeler's wife, family, and friends retaining and sending into Hung lawyer to represent Vogeler's and their interests; (2) urge Hung Govt reconsider its rejection (or failure respond promptly) Ernst's visa request; and (3) ask Hung Govt agree Ernst's entry Hung for such purposes as may be appropriate to representation of interests Vogeler and Ernst's clients, including access Hung Ministry Justice and other Govt officials. If Hung Govt rejects, or refuses to reply to, US intercession in suport Ernst, we wld then proceed release full texts correspondence on subj, including Feb 1 note and Hung reply thereto in interest further public enlightenment re Hung Govt's conduct case.[4]

II

Re entry Amer correspondents (Vienna's 152 Jan 30 rptd Budapest 9 London 20 [5]) Leg shld promptly address note FonOff, if it has not already done so (ur 82 and ur 86 Feb 10 rptd Vienna 29 London 19 [6]), containing list correspondents who wish attend trial and say it is assumed, in light Rakosi's assurances and those contained in recent Hung note (ur 71 [7]), that issuance visas will be facilitated on urgent basis in order permit correspondents be present start of trial and report entire proceedings. We have confirmed that all correspondents listed Vienna's 152, except Bill Boyle, have been assigned cover trial. UP may later make assignment. In addition, we are informed that Allyn

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[4] Following receipt of a negative reply from the Hungarian Government regarding a visa for Ernst, the Department of State, in telegram 61, February 15, to Budapest, not printed, instructed the Legation to address a further note to the Hungarian Foreign Ministry along the lines indicated in this paragraph (264.1111 Vogeler, Robert A./2–1550).

[5] Not printed.

[6] Neither printed; regarding telegram 82 from Budapest, see footnote 2, above.

[7] Telegram 71, February 6, from Budapest, not printed, transmitted the text of the Hungarian Foreign Ministry note described in footnote 5, p. 987.

Baum, photographer for Internatl News Photos, now at Paris, will apply for entry.

III

Concur in ur contemplated request re attendance Leg personnel trial and suggest it be made, or if already made orally confirmed, in writing. You shld also renew demand for immed access to Vogeler by Amer consular officers. If granted, assume you will desire include in attendance at trial Leg officers who understand Hung and those who are best qualified report proceedings.[8]

Texts all further Leg communications to Hung FonOff in compliance foregoing instrs shld be cabled Dept fol delivery in order that they may be released to press here on short notice.

ACHESON

[8] The Hungarian Foreign Ministry subsequently gave the Legation two tickets of admission to the public gallery at the Vogeler–Sanders trial.

Editorial Note

At his press conference on February 15, Secretary of State Acheson issued a statement by the Department of State reviewing recent unsuccessful efforts to assure American legal counsel for Robert Vogeler in connection with his forthcoming trial in a Hungarian court on charges of espionage. The statement pointed out various international legal precedents in favor of affording Vogeler the privilege of retaining an American attorney. The Hungarian Government was condemned for its refusal to permit an American attorney, Morris L. Ernst, to enter Hungary to represent Vogeler. The statement restated the demand of the United States Government for the fullest possible safeguards for Vogeler's rights in the matter of his treatment and defense, and expressed the deep concern and indignation of the Government and the people of the United States at the intolerable attitude and behavior of the Hungarian Government in the Vogeler case. In making public the Department's statement, Secretary Acheson observed that he could not emphasize too strongly the seriousness with which the United States viewed the Hungarian Government's conduct in the Vogeler affair. He promised that the Department of State would continue its efforts to safeguard Vogeler's rights and assure that he was properly defended.

On February 17 the Department of State issued a further statement to the press observing that earlier assurances by Mátyás Rákosi, Hungarian Deputy Prime Minister and Secretary General of the Hungarian Workers' (Communist) Party, regarding a fair trial for Vogeler had been belied by a speech made by Rákosi on February 10 to

the Central Executive Committee of the Hungarian Workers' Party. The statement warned that Rákosi's speech appeared to foreshadow a guilty verdict and necessitated a careful scrutiny of the trial and of Vogeler's physical and mental condition.

For the texts of the Department's statements of February 15 and 17 and Secretary Acheson's brief comments of February 15, see Department of State *Bulletin*, February 27, 1950, pp. 323–326.

The trial of Robert A. Vogeler, Edgar Sanders, and four Hungarian codefendants on charges of espionage and other crimes against Hungary was held in Budapest City Court, February 17–20, 1950. Vogeler and his fellow defendants confessed to a wide range of acts of espionage, and their testimony implicated many other persons, including former and current officers of the American and British Legations in Budapest. The official record of the trial is presented in the Hungarian Government White Book, *R. Vogeler, E. Sanders and Their Accomplices Before the Criminal Court* (Budapest: Hungarian State Publishing House, 1950). For his own account of his arrest, detention, interrogation, and trial, see Robert A. Vogeler (with Leigh White), *I Was Stalin's Prisoner* (New York: Harcourt Brace and Company, 1951).

In response to instructions from the Department of State, the Legation in Budapest submitted detailed daily accounts and commentaries concerning the proceedings of the trial. These voluminous reports are included in Department of State file 264.1111 Vogeler, Robert A. The Legation reports indicated that all the defendants, including Vogeler, appeared to be in good health and showed no signs of physical maltreatment, drugs, hypnotism, or other means of external coercion. Vogeler's testimony, according to these reports, was characterized by a great many errors and inconsistencies. It appeared to the Legation that Vogeler had been induced to memorize and recite a prepared false confession acting under some compulsion of an unknown nature. The defendants were completely isolated from the spectators at the trial, and it was impossible for the Legation's representatives to speak with Vogeler.

Foreign, including Western, newsmen resident in Budapest attended the trial, but only two Western newsmen were permitted to enter Hungary specifically to cover the proceedings. Accounts of the trial appeared in the world press.

On February 21 the Budapest Court found Vogeler, Sanders, and their Hungarian codefendants guilty of the charges against them. Vogeler was sentenced to 15 years imprisonment at hard labor and Sanders to 13 years imprisonment at hard labor. Two of the Hungarians (Imré Geiger and Zóltan Rádo) were sentenced to death.

On February 21, following the announcement in Budapest of Vogeler's sentencing, the Department of State issued a statement to

the press condemning the Vogeler trial as "devoid of justice, inadequate as to evidence, and replete with falsehoods." The United States Government refused to accept Vogeler's so-called confession or his self-incriminating testimony which the Department felt could only be understood in the light of Vogeler's long detention incommunicado and the denial of access to his family, to any American official, or his American attorney. For the text of the Department's statement, see Department of State *Bulletin*, March 6, 1950, page 378.

In a statement issued to the press on February 24, the Secretary of State reviewed recent actions by the Governments of Bulgaria, Hungary, and Romania contributing to a marked deterioration of relations with the United States. Secretary Acheson indicated that the obvious purpose of these actions, which included the sentencing to imprisonment of Robert Vogeler on false charges, was to cut off the people of Eastern Europe from the free world, to deprive them of all hope of any other fate than that reserved for them by their rulers, and to liquidate all signs and symbols of Western influence to the accompaniment of a flood of propaganda. He further observed that the recent flagrant acts by Hungary had brought its relations with the United States to its lowest point since the end of World War II. For the text of the Secretary's statement, see *ibid.*, pages 377–378.

264.1111 Vogeler, Robert A./2–2350 : Telegram

The Secretary of State to the Legation in Hungary

SECRET WASHINGTON, February 25, 1950—1 p. m.

88. Urtel 140, Feb 23. Dept will transmit shortly reply to Hung note.[1] We shall not withdraw personnel named in Vogeler trial until officially designated PNG, at which time we shall have no alternative but to do so.

In meantime we are considering and discussing with Defense Dept best means meeting situation created by demand for reduction size our mission. Experience Rum Bulg has demonstrated Commie Govts can force reduction in size by refusal visas Amers and by persecution local employees. Ultimate end this process, if unchecked, is either crippling work mission or break in diplomatic relations. Since we do not desire break relations with satellites unless operation mission becomes impossible, we are proposing in Rum to reduce table of organization US personnel, including Service attachés, from approxi-

[1] For the "reply" under reference here as eventually delivered, see the note of March 4 from the Legation to the Hungarian Foreign Ministry, p. 995; regarding the Hungarian note, the text of which was transmitted in the referenced telegram, see footnote 1, p. 996.

mately fifty to approximately thirty if Rum Gov will accept latter figure and provide assurances visas will be issued promptly for necessary replacements.[2]

We contemplate similar procedure in Hung in belief there is more likelihood mission will be able to continue to operate without undue interference, at least temporarily, if substantially reduced than if we make clearly futile attempt to maintain present size. You are therefore requested to submit urgently new recommendations (urdes 1108 Dec 18 and Dept A–18 Jan 31[3]) as to revised TO for streamlined operation designed to accomplish our essential objectives with smallest possible numbers. Service attachés being separately queried by Defense but we wld appreciate your comment on their needs in relation to those of Legation as a whole.

Your recommendations also requested as to feasible but substantial reduction in alien staff. Insofar as their safety and welfare are concerned, we are inclined to feel that they may under present circumstances be less vulnerable divorced from Legation than attached to it and that they may more easily be absorbed into Hung community now than after they have been subjected to further public abuse and very probably persecution.[4]

We recognize program sketched above is most unsatisfactory and merely lesser of two evils. We believe however it is worth attempt, which we fully realize may fail, to continue operations throughout satellites on reduced scale rather than be forced out altogether.

ACHESON

[2] See the note of March 14 from Minister Schoenfeld to Romanian Foreign Minister Pauker, p. 1055.

[3] Neither printed.

[4] Telegram 115, March 10, to Budapest, not printed, stated that the Hungarian Government was obviously determined to make the local employees of the Legation in Budapest a major target of propaganda and persecution. In order to avoid involving the Legation in vain and humiliating protective efforts which could only accelerate the undesirable trend toward a total break in diplomatic relations, the Department asked the Legation to reduce its local staff sharply during the coming weeks (124.643/3–1050).

124.643/2–2750 : Telegram

The Minister in Hungary (Davis) to the Secretary of State

SECRET PRIORITY BUDAPEST, February 27, 1950—5 p. m.

150. While I have long favored smaller staff (Legtel 1326 November 30, 1337 December 6[1]) it seems to me that to reduce our staff under threat implicit in Hungarian note (Deptel 88, February 25[2]) is to lose so much face our continuance here on any scale would become meaningless. Once we admit their right or ability interfere our or-

[1] Neither printed.

[2] *Supra.*

ganization, we are at their mercy. One does not negotiate with Hungarian regime. One states position and they state theirs, maintaining it thenceforth by mere repetition. Having publicly and repeatedly asserted US Legation is mere spy organization, any agreement as to size staff they will tolerate will mean only we are here on sufferance, branded as spies but allowed remain so long as by their dictum innocuous ones. I would prefer continue to reduce staff but at accelerated tempo without attempting agreement on ultimate size, facing complete break on Sofia precedent [3] rather than go "hat in hand" to ask what staff they would approve. Furthermore the attempt to negotiate, almost certainly foredoomed to failure, would be used publicly presume admission guilt. What can we expect Hungarians to accept as our proper function other than innocuous desuetude.

Hungarian staff, while 3 reported contemplating resignation and 2 believed attempted escape over weekend, majority have expressed desire sit tight since other employment unlikely in case resignation. Legation recommends against reduction Hungarian staff except by attrition, but should such action be unavoidable, separations should be based on length service as well as nature work. For instance drastic reduction must consider abolition USIE activities (employing 20 Hungarians), FPO program (6), commissary (10, who not on State Department payroll), consular section (6), economic section (4). In event break would suggest protecting power (presumably Swiss) take over entire remaining alien staff temporarily on ground much work winding up of affairs, familiarizing, protecting Legation work records, pending cases, and widely-scattered US real property, some of which construction proceeding under contract. Reduction could then proceed gradually by release from neutral Legation. This admittedly slender reed seems offer more personal security than abrupt dismissal or resignation from American Legation.

Minimum TO which would be mere token representation could be Chargé 1, other FSO 1, consul and about 11 FSS plus present USIE, so long that activity permitted, 1 service attaché plus 1 enlisted man. The desirable minimum staff would be minister, counselor, 2 other FSO's, 1 consul and about 15 FSS, not counting USIE. In both cases plus reduced FSA custodial and translating staff. Service attachés hope retain 4 officers plus 8 other Americans but these figures high in proportion size entire mission. More realistic would be 2 officers, 1 warrant officer, 2 radio operators and 3 other enlisted personnel.[4]

DAVIS

[3] The reference here is to the severance of diplomatic relations with Bulgaria, February 21, 1950; for documentation on this subject, see pp. 503 ff.

[4] Telegram 132, March 20, to Budapest, not printed, instructed the Legation to plan for the earliest transfer of all the surplus personnel listed in the telegram printed here. Minister Davis was authorized to inform Hungarian officials concerning current and anticipated Legation staff reductions to the extent that the Minister considered desirable (124.643/3-2050).

Editorial Note

The Hungarian Nationalization Law of December 28, 1949, called for the surrender of shares in certain industry and transport organizations in Hungary to the Hungarian Government. On March 3, 1950, the American Legation in Budapest presented a note to the Hungarian Foreign Ministry protesting against the denial of compensation for American-owned property seized by the Hungarian Government and the discrimination against American interests through the exemption from nationalization of Soviet interests under the Hungarian Nationalization Law. The note further declared the United States Government reserved all rights on its own behalf and on behalf of its nationals, and it called upon the Hungarian Government to enter into negotiations for the prompt settlement of its obligations. Also on March 3, the Department of State issued a statement to the press announcing that the United States could not accept the conditions of the Hungarian Nationalization Law of December 1949 and was, on its own behalf and on behalf of American nationals, espousing the claims for compensation arising out of nationalization and other seizures of property by the Hungarian Government. Americans who had claims arising out of such action were requested to give the Department information about them. For the text of the Legation note of March 3 and the Department of State statement of the same date, see Department of State *Bulletin*, March 13, 1950, page 399.

In a note of March 20 to the Legation in Budapest, the Hungarian Foreign Ministry rejected the contentions of the Legation's note of March 3, reviewed aspects of the Hungarian Nationalization Law of December 1949, and expressed readiness to enter into negotiations on compensation for nationalized American properties. The note took occasion to protest the expulsion in April 1948 of the Hungarian Restitution Mission from Western Germany by American occupation authorities and demanded that the problem of restitution be considered at the same time American compensation claims were discussed. For the text of the Hungarian note, see *Documents on the Hostile Activity of the United States Government*, pages 151–152.

264.1111 Vogeler, Robert A./3–450

The Legation in Hungary to the Hungarian Foreign Ministry

[Budapest, March 4, 1950.]

The Legation of the United States of America presents its compliments to the Ministry for Foreign Affairs of Hungary and has the

honor to refer to the Ministry's note of February 23, 1950,[1] in which the Hungarian Government, on the basis of its proceedings against Mr. Robert Vogeler, raises certain questions regarding the staff of the Legation and inquires whether the United States Government is willing to reconsider its prohibition of travel by United States nationals to Hungary and its closing of the Hungarian consulates in New York and Cleveland.

The Legation of the United States is instructed to inform the Ministry for Foreign Affairs that the United States Government does not recognize the proceedings against Robert Vogeler, which were completely *ex parte* and were characterized throughout by demonstrably preposterous falsehoods, as confirming in any way the validity of the charges brought against him or against other United States citizens.

In view of the character of this "trial" and of the wholly groundless charges against personnel of the Legation, the United States Government considers improper and irrelevant the inquiries contained in the Hungarian Government's note. If the Hungarian Government insists on the withdrawal from Hungary of certain United States officials as *persona non grata*, it has the right under international law to do so. However, the above-mentioned allegations are clearly not a proper basis for such a demand.

The United States Government has no intention, in the existing circumstances, of altering its decisions prohibiting the travel of United States citizens in Hungary and closing the Hungarian consulates in New York and Cleveland. As to the first, the sentencing of Mr. Vogeler to prison on false charges merely confirms this Government's conviction that it is unsafe for American citizens to visit Hungary under present conditions. As to the second, the closing of the Hungarian consulates in the United States was based and continues to be

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[1] In the note under reference here, the Hungarian Foreign Ministry drew attention to testimony during the Vogeler–Sanders trial implicating Military Attaché Col. James B. Kraft, Assistant Military Attaché Lt. Col. John T. Hoyne, and Assistant Air Attaché Maj. Donald E. Griffin, all members of the Legation in Budapest, in alleged acts of espionage against Hungary, and asked whether the United States was "willing to draw the consequence logically deriving from" the implication. The Hungarian note further asked whether the United States was willing to reconsider measures recently taken to prohibit the travel of American citizens in Hungary as well as the closing of the Hungarian consulates in New York and Cleveland. Finally the note described the Legation staff in Hungary as excessive and asked that it be reduced. For the text of the Hungarian note, see *Documents on the Hostile Activity of the United States Government*, pp. 179–182.

In a similar note of February 23 to the British Legation in Budapest, the Hungarian Foreign Ministry drew attention to trial testimony implicating several current members of the Legation in espionage and also asked for a reduction in the staff of the British Legation. The brief British Legation reply of February 28 simply transmitted the text of a statement of February 21 by the British Foreign Office which denounced the Vogeler–Sanders trial, presented Sanders as the victim of sinister pressures, and stated that the United Kingdom Government had factual evidence that the trial testimony was "a compendium of distortions and lies."

based on the Hungarian Government's refusal to permit United States consular officers in Budapest to perform their normal protective consular functions.

With regard to the over-all number of diplomatic officials and other employees at the American Legation in Budapest, the United States Government knows of no rule of international law or practice under which the Hungarian Government would be entitled to limit or fix that number. The United States Government, moreover, wholy rejects the allegations concerning the Hungarian employees of this Legation which are set forth in the note of the Ministry of Foreign Affairs. These employees have been engaged in no activities to which objection could legitimately be raised.

The Hungarian Government, by its recent actions detrimental to the rights and personal safety of American citizens, by its treatment of American interests in Hungary, and by its restrictions on the exercise of protective functions by American consular officers, has itself created a situation prejudicial to the conduct of normal diplomatic, consular, and commercial relations. Because of this situation, the United States has already reduced the staff of the Legation below that which it would consider necessary for the conduct of normal relations with a friendly government. The United States Government will continue to adjust the composition of Legation staff in accordance with its own judgment of its requirements and, in doing so, it will of course take into account the arbitrary attitude of the Hungarian Government.

Editorial Note

In a note of March 10 to the Legation in Budapest, the Hungarian Foreign Ministry declared Military Attaché Col. James B. Kraft, Assistant Military Attachè Lt. Col. John T. Hoyne, and Assistant Air Attaché Maj. Donald E. Griffin *personae non gratae* and requested their recall. The note further renewed the demand that the Legation staff be reduced. The note also reasserted the legitimacy of the Vogeler–Sanders trial and the veracity of its findings. Finally, the note recalled a variety of "arbitrary and unfriendly measures against Hungary" by the United States including the prevention of the restitution of alleged Hungarian property from Germany, the prohibition of travel to Hungary by American citizens, the closure of Hungarian Consulates in New York and Cleveland, and blocking of Hungarian claims in the United States. For the text of the Hungarian note, see *Documents on the Hostile Activity of the United States Government*, pages 185–187.

500-421—80——64

Acting on the authorization of the Department of State, Minister Davis subsequently informed the Hungarian Foreign Ministry that Colonel Kraft, Lieutenant Colonel Hoyne, and Major Griffin would be withdrawn from Hungary by the end of the month. The Legation made no written reply to the Hungarian note of March 10. The Department considered the possibility of declaring several members of the Hungarian Legation in Washington *personae non gratae*, but no action was taken on the advice of Minister Davis.

264.1111 Vogeler, Robert A./3-1350 : Telegram

The Secretary of State to the Legation in Hungary

SECRET PRIORITY WASHINGTON, March 13, 1950—8 p. m.

119. Dept believes, subject your concurrence, it wld be desirable you seek in near future further interview with Rakosi re situation Vogeler.

If interview granted, you shld emphasize to Rakosi (1) that Amer public and officials continue feel deepest concern over Vogeler affair; (2) that US Govt, of whose clear position in matter Hung Govt well aware, will in no circumstances consider case closed until Vogeler released and permitted depart Hung; and (3) that Hung Govt, if it insists on holding Vogeler, wld only perpetuate factor which has so gravely affected relations with US. You should then cite US treatment Gubitchev [1] and express hope Rakosi, for considerations of political realism as well as of humanity, will see way clear at early date apply similar procedure case Vogeler.

Dept wld appreciate receiving your views whether this approach shld be made before or after action by court on Vogeler's appeal. Dept inclined to feel, in view likelihood continuing deterioration US-Hung relations, approach should not be long delayed.

In this connection Dept is also considering advisability request to Sov Govt to intercede with Hung Govt on behalf release and deportation Vogeler. Such request wld be predicated upon our action re Gubitchev in which SecState complied with request made to him

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[1] Valentin Alekseyevich Gubichev (Gubitchev), a Soviet citizen employed by the United Nations in New York, was arrested by the Federal Bureau of Investigation in March 1949 on charges of espionage. He was convicted of the charges by a Federal court, and on March 9, 1950, he was sentenced to 15 years imprisonment. At the recommendation of the Departments of State and Justice, Gubichev's sentence was suspended by the court on condition that he be deported from the United States. Secretary of State Acheson informed Soviet Ambassador Aleksandr Semyenovich Panyushkin of the decision on March 10, and Gubichev departed from the United States on March 20. Documentation on the rejection of the claim to diplomatic immunity for Valentin Gubichev, arrested and tried for espionage, 1949–1950, is printed in *Foreign Relations*, 1949, vol. v, pp. 776 ff.

personally last fall by Vishinsky.[2] We wld not be optimistic as to success such request but wld naturally wish exhaust every appropriate possibility. Request to Sovs wld not be made until after your further interview with Rakosi.

Repeated Vienna as 417; London 1131; Moscow 207.

ACHESON

[2] In telegrams 149, March 30, and 154, April 1, to Budapest, repeated to Moscow as 268 and 281, neither printed, the Department of State acknowledged that the reference in this sentence was a regrettable confusion of the Gubichev case and its resolution (see footnote 1, above) and similar earlier matters involving Soviet Foreign Minister Andrey Yanuaryevich Vyshinsky. In a conversation with the Secretary of State in Washington on November 7, 1949, Vyshinsky discussed the case of officials of the Soviet Amtorg Trading Corporation in New York arrested by American authorities under the provisions of the Foreign Agents Registration Act. Vyshinsky pointed out that the Soviet officials had been instructed to register under the terms of the Act and asked Secretary Acheson to do what he could to end the criminal prosecution in the case. Following Vyshinsky's visit and as a result of the efforts of Secretary Acheson, the indictments against the Amtorg officials were quashed and they were released from arrest (761.5211/3–3050 and 761.5211 Gubichev, Valentin A.). The record of the Acheson–Vyshinsky conversation and other information on the compulsory registration of the Amtorg Trading Corporation under the Foreign Agents Registration Act of 1938, as amended, is presented in *Foreign Relations*, 1949, vol. v, pp. 771 and 754, respectively.

264.1111 Vogeler, Robert A./3–2750: Telegram

The Minister in Hungary (Davis) to the Secretary of State

SECRET PRIORITY BUDAPEST, March 27, 1950—noon.

224. Highlights Rakosi interview Legtel 223 of March 25.[1]

1. I stated US-Hungary hold irreconcilable views Vogeler case and staff question. Only by agreeing disagree merits cases and seeking practical solutions reasonably satisfactory both without violence principles either side can we hope improve relations.

2. Re staff US has found such practical solution in current and prospective reduction decided on our own initiative without granting Hungarian Government claimed right concern itself with matter. Hungarians will accept this practical solution same conciliatory manner without committing self. Rakosi indicated assent and I believe Hungarians will desist attacks on staff at least till next crisis.

3. Re Vogeler, Soviet Government supplied precedent for practical solution in Vishinsky approach to Secretary of State. Suggested Hungarians should be glad follow lead that "great and friendly country." Rakosi mildly startled by story said he would ask Vishinsky his ver-

[1] Not printed. In it Minister Davis gave a brief, preliminary report on his "frank, unemotional discussion" with Hungarian Deputy Prime Minister Rákosi that morning which was also attended by Hungarian Undersecretary for Foreign Affairs Andor Berei (264.1111 Vogeler, Robert A.). Davis' lengthy memorandum of the conversation was transmitted to the Department of State in despatch 380, March 29, from Budapest, not printed (611.64/3–2950).

sion (with assurances did not doubt my word) but indicated we asking lot, offering little.[2] Referred closing Hungarian Consulates US. I replied they closed because our Consul here denied right perform his duties. Felt US would reconsider if assured our Consul henceforth permitted function. This only one of many matters in which progress depends on practical solution existing impasse.

4. Rakosi several times started comment on merits Vogeler staff question. Each time I interrupted begging him leave merits aside. We could say something on that too but such discussion fruitless. Urged we stick to effort find practical way out.

5. Atmosphere was frank informal courteous approaching cordiality at times.

Sent Department 224, repeated London 55, Moscow 2, Department pass Moscow.

DAVIS

[2] In his telegram 237, March 31, from Budapest. not printed, Minister Davis indicated that the erroneous ascription of Soviet intervention in the Gubichev case to Soviet Foreign Minister Vyshinsky (see footnote 2, *supra*) was acutely embarrassing inasmuch as the Minister's entire effort with Rákosi hinged on the alleged personal intervention by Vyshinsky (761.5211 Gubichev, Valentin A.).

793.00/3-2850 : Telegram

The Secretary of State to the Embassy in the Soviet Union

SECRET PRIORITY WASHINGTON, March 28, 1950—7 p. m.

252. You are requested arrange interview Vishinsky soonest in order request on behalf Sec his intercession with Hung Govt on behalf Vogeler and with Chinese Commies on behalf Smith and Bender.[1]

You shld state US Govt of course realizes these are not matters which directly concern Sov Govt. However, Sec is very deeply disturbed over fate these Amer cits, two of whom detained for sixteen mos and third just condemned fifteen years prison. Friendly relations Sov Govt with Hungs and Chinese Commies leads Sec to hope good offices Vishinsky might result in release these men. Min Davis has already presented request re Vogeler to Deputy PriMin Rakosi and in so doing referred to Vishinsky's request to Sec last autumn re release Gubitchev, with which Sec was able to comply after completion court action this mo. (Budapest's 223, Mar. 25, relayed Moscow [2]). Smith–

[1] The reference here is to Chief Electrician William C. Smith and Master Sergeant Elmer C. Bender, American servicemen who disappeared in Communist China in October 1948 and were subsequently detained incommunicado by Communist Chinese authorities near Tsingtao, China. Smith and Bender were released and left China in May 1950. Regarding their release, see Acting Secretary of State James C. Webb's statement to the press, May 19, 1950, Department of State *Bulletin*, May 29, 1950, pp. 868–869.

[2] Not printed, but see footnote 1, *supra*.

Bender case has been taken up numerons occasions with Chinese Commie authorities by our ConGen Peiping. Release these three Amer cits wld clearly be step toward relieving tension internatl relations and hence wld serve cause peace.

Fol is for ur background info: When Vishinsky personally sought Sec's aid in Gubitchev case last autumn, he was informed that exec branch US Govt could not properly take action at that time since case still before court. Several weeks ago, however, following conviction Gubitchev Sec called in Sov Amb, referred Vishinsky's earlier appeal, and informed Sov Amb Dept had intervened to obtain suspension sentence and had arranged for Gubitchev's departure from US.[3] Sec did not refer to Vogeler or Smith–Bender cases during this conversation with Sov Amb. Further info re Vogeler case set forth in Budapest's 224, Mar 27, rptd Moscow 2;[4] Dept's 228, Mar 20[5] and 207, Mar 13[6]; re Smith–Bender set forth Dept's circular Jan 3, 4 a. m.[5]

ACHESON

[3] Regarding the Department of State's subsequent clarification of its understanding of Foreign Minister Vyshinsky's role in the Amtorg case rather than the Gubichev matter, see footnote 2, p. 999.

[4] *Supra.*

[5] Not printed.

[6] Same as telegram 119, March 13, to Budapest, p. 998.

793.00/3–2950 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

SECRET Moscow, March 29, 1950—8 p. m.

981. Deptel 252 March 28.[1] I have just seen Vishinski on subject of Vogeler and of Smith and Bender and discussed these cases for 30 minutes. My line followed Department's general instructions except that I added the Amtorg case to that of Gubitchev as further indication Secretary's interest in reducing tensions. Mr. Vishinski took me up at once on Gubitchev case saying emphatically and positively it had never been raised by him with Secretary. He elaborated his November 7 conversation with Secretary in re Amtorg following closely Department's memorandum thereof.[2]

(While uncertain myself about conversations concerning Gubitchev, nevertheless Department's continued references thereto seems convincing.)

Mr. Vishinski started to expand his government's views on case of Gubitchev, but I interrupted to say that, regardless of merits of case, after all the Secretary had intervened and effected deportation and has also intervened in Amtorg case to good purpose.

[1] *Supra.*

[2] Regarding the Gubichev and Amtorg cases under reference here, see footnotes 1 and 2, pages 998 and 999.

Vishinski said those problems lay with our two governments, but present two cases involved two additional governments with one of which we had full diplomatic relations and that therefore he did not feel he could intervene. He agreed anything that could be done to ease tensions was good to do, but he regretted in this case he did not feel in position to intervene.

In conclusion, I said I was sure the Secretary would be pleased if Vishinski felt he could make useful approach and that I too would hope he might do so, but that I would make report to my Government of his position.[3]

Sent Department 981; Department pass Budapest 16.

KIRK

[3] In telegram 268, March 30, to Moscow, repeated as 149 to Budapest, not printed, the Department of State regretted the inexactitude of its recollection regarding the Gubichev and Amtorg cases but did not feel that the basis for the American request for intervention on behalf of Vogeler and Smith and Bender had been altered inasmuch as the Secretary of State had, in the Gubichev case, concretely manifested the desire and intention to reduce international tension wherever possible. The Department therefore deeply regretted Vyshinsky's refusal to intercede on behalf of Vogeler and Smith and Bender (793.00/3-3050).

511.644/4-1150 : Telegram

The Minister in Hungary (Davis) to the Secretary of State

SECRET BUDAPEST, April 11, 1950—6 p. m.

253. Berei summoned me Foreign Office today and with Sik [1] present said Hungarian Government "inclined" accept "proposal" I had made Rakosi re Vogeler.[2] This "proposal" had been based on statement which subsequently fell to ground. However, sharing desire I had frequently expressed improve Hungarian-American relations, would like know what US prepared do re various matters in dispute between us. Mentioned specifically Hungarian consulates, "freezing assets",[3] VOA interference with Hungarian station (Legtel 229, March 28 [4]) and restitution Hungarian property Germany.

I replied unable answer officially pending instruction but would observe believe possible reach satisfactory solution many problems by frank informal discussion, for example, re consulates we had closed because refusal Hungarians permit our consul function under pro-

[1] Endre Sik, Head of the Political Department of the Hungarian Foreign Ministry; Minister in the United States until August 1949.

[2] See telegram 224, March 27, from Budapest, p. 999.

[3] Regarding the "freezing" of Hungarian assets, see footnote 3, *infra*.

[4] Not printed. It reported that the Hungarian press had published a complaint from the Hungarian Radio Bureau to the Secretary General of the International Telecommunication Union that broadcasts by the Voice of America transmitter in Munich were interfering with the new radio wave length assigned to Budapest Radio Petofi by the Union. Broadcast monitoring by the Legation in Budapest indicated that there was a slight mutual interference between the two stations (511.644/2850).

visions consular treaty as we interpret them. Hungarians have made different interpretation. Perhaps we could reach mutually agreeable definition consular rights on basis which consulates could function both countries. Other matters could be made subject similar treatment.

Berei replied wished reemphasize Hungarian Government "inclined" comply our Vogeler proposal but wished to hear concrete offers. I had mentioned only further discussions. Understood I could say no more without consultation Department.

His reference several times to consulates suggest Hungarians attribute considerable importance possibly because prestige value.

Full memorandum pouch twelfth.[5] Atmosphere was cordial and presence Sik may be significant in view his friendly attitude to MA at interview last week and subsequently on telephone re return Hungarian defector plane from Austria. On both occasions Sik expressed appreciation our action and wished all points at issue between us could best be settled same friendly basis. Without illusions basic and continuing unfriendliness regime, consider possible this approach indicates new line temporarily at least of which we might take advantage by some quick concessions, e.g., VOA wave length, consulates, freezing.

Sent Department 253, repeated London 61.

DAVIS

[5] A detailed report on Minister Davis' conversation with Hungarian Undersecretary for Foreign Affairs Berei was transmitted in despatch 428, April 12, from Budapest, not printed (264.1111 Vogeler, Robert A./4–1250).

264.1111 Vogeler, Robert A./4–2150 : Telegram

The Secretary of State to the Legation in Hungary

SECRET PRIORITY WASHINGTON, April 21, 1950—1 p. m.

180. Ur 253, Apr 11 rptd London 61.[1] Agree ur evaluation Berei's response re Vogeler and, although apparent willingness Hung auths discuss Vogeler's release conjunction certain other issues may prove propaganda trick, consider it worthwhile explore possible basis for Hung agreement release Vogeler. Fol, if you concur, for ur guidance further discussions Hung FonOff:[2]

[1] *Supra.*

[2] In telegram 282, April 25, from Budapest, not printed, Chargé Gerald A. Mokma reported that he had that day called on Hungarian Undersecretary for Foreign Affairs Berei and Foreign Ministry Political Department Head Sik and conveyed the substance of point 2, the first two sentences of item 3, and the first sentence of both items 4 and 5 of the telegram printed here. Berei, who promised to refer the entire matter to the appropriate Hungarian officials, reacted initially by pointing out that the four questions discussed were merely sample problems outstanding between the two countries. Chargé Mokma observed that in general Berei's reaction was one of smug satisfaction at the nature of the American approach (264.1111 Vogeler, Robert A./4–2550). Telegram 197, April 29, to Budapest, not printed, replied that Mokma's conversation with Berei

Footnote continued on following page.

1. In gen, you shld seek avoid prolonged bargaining and argument which might later serve Hung propaganda use damaging to US prestige. In our view, concessions we can appropriately offer in exchange for Vogeler's release involve primarily reconsideration those measures already taken or contemplated as retaliation against HunGovt for its treatment Vogeler. In circumstances, we believe while degree flexibility shld be maintained in dealing with present and any further issues which may be raised, impression shld in no way be given we are prepared appease HunGovt because our concern for Vogeler.

2. In discussing matter Hung consulates US, you shld reiterate offices were closed by US Govt because of refusal HunGovt permit our consular reps perform their protective functions. You may then add, however, US Govt prepared, upon release of Vogeler and his departure from Hung, permit Hung consular offices in NY and Cleveland to be reopened and function so long as our rights under consular treaty are respected.

3. Re question "freezing assets" suggest you call attn fact property acquired in US by Hung or natls thereof after Dec 7, 1945, is free from any US controls and only Hung assets which are now blocked or vested in US are those acquired on or prior to that date. If FonOff's query refers action US Govt Feb 24 revoking gen license 32A, you shld carefully explain precise meaning revocation 32A (Dept 107 Mar 7 and Depcirgam Mar 8 11:45 a m [3]), point out that sums involved in former transactions under this license were negligible, and add action in no way constituted extension blocking to free Hung funds. In event FonOff shld question action taken by US Govt re 32A, you shld refer rights granted US by Para 1 Art 29 Peace Treaty.

4. Alleged VOA interference with Radio Petofi (ur 255 Apr 12 [4]) being investigated and will be subj separate tel soonest. For ur own info, we do not believe it will be possible change frequency Munich transmitter.

5. As regards restitution Hung property Ger, you may state to FonOff that US Govt prepared, immed fol release and departure Vogeler, facilitate delivery all Hung goods in US Zone Ger which have been found available for restitution. As you are aware (Frankfort's tel 1000 Feb 2 rptd Budapest 5 and urdes 707 Sep 7, 1949 enclosing text US note Sep 6 to Hung FonOff [4]), value of property avail-

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Footnote continued from preceding page.

indicated that the Hungarian Government might progressively widen the scope of American-Hungarian issues in search of concessions in return for the promised release of Vogeler. The telegram further stated that the Department did not contemplate attempting to buy Vogeler's freedom by a series of measures of appeasement in other fields (264.1111 Vogeler, Robert A./4–2550).

[3] Neither printed; the circular airgram under reference here informed that the Attorney General on February 24, 1950, revoked General License No. 32A, which had authorized the sending of limited support remittances from blocked accounts in the United States to persons within Bulgaria, Hungary, or Romania. Some newspapers had erroneously publicized the action as constituting a freezing or blocking of all Bulgarian, Hungarian, and Romanian funds in the United States, whereas it actually applied only to currently blocked accounts of citizens-residents of the three countries. No restrictions were imposed on other Bulgarian, Hungarian, and Romanian assets previously unblocked under General License No. 94 of December 1945 (611.40231/3–850).

[4] Not printed.

able for restitution not large, being estimated approx $360,000. See also immed fol Deptel.[5]

For ur background info, Dept still plans, as soon as signed printed copies (Dept 157, Apr 4 [6]) become available, forward ITT–Ernst brief on Vogeler case to Leg for delivery FonOff. As previously indicated, submission brief to HunGovt wld be entirely without publicity. Believe this action, if unpublicized, wld in no way prejudice contemplated discussions FonOff and might, on contrary, serve useful purpose in convincing top level Hung auths case built up against Vogeler will not stand critical examination.

Suggest you keep Brit colleague informed re content and timing ur approaches Hungs in order Brit, in pursuing their efforts on behalf Sanders, may be able take advantage whatever opportunities these developments may present.

Sent Budapest, rptd London, Frankfort, and Rome for Davis.[7]

ACHESON

[5] Telegram 181, April 21, to Budapest, not printed (264.6241/4–2150).

[6] Not printed. It stated that the Department of State had reviewed the draft of a legal brief prepared by the International Telephone and Telegraph Corporation and attorney Morris Ernst on the Vogeler–Sanders trial. Subject to certain revisions, the Department was prepared to forward a printed and signed version of the brief to the Legation in Budapest for delivery to the Hungarian Foreign Ministry (264.1111 Vogeler, Robert A./4–350). Instruction 31, June 19, to Budapest, not printed, informed the Legation that officials of the International Telephone and Telegraph Corporation and attorney Morris Ernst had subsequently decided against the presentation of the brief. Ernst had instead addressed a personal letter, together with an accompanying memorandum, to Vogeler's Hungarian attorney for record, Imre Bard (264.1111 Vogeler, Robert A./6–1950).

[7] Minister Davis was in Rome for a meeting of American Ambassadors, March 22–24. For documentation on the meeting, see in vol. III, pp. 795 ff.

264.1111 Vogeler, Robert A./5–1250 : Telegram

The Ambassador in the United Kingdom (Douglas) to the Acting Secretary of State

SECRET LONDON, May 12, 1950—4 p. m.

2611. The Secretary saw Mrs. Vogeler in his office this morning.[1] She outlined to him in some detail the terms of an offer allegedly emanating from the Hungarian Government and given to her by a purported intermediary in Vienna. The text of this offer (which is substantially that described by her to Erhardt;[2] Vienna Legtel 85, repeated Department 669 [3]) will follow.[4]

[1] Mrs. Vogeler, who traveled to London from Vienna, had requested a meeting with the Secretary of State in order to discuss a plan for securing the release of her husband. The Secretary was in London in connection with the Tripartite (United States–United Kingdom–France) Conference of Foreign Ministers, May 11–13 and the Fourth Session of the North Atlantic Treaty Council, May 15–18.

[2] John Erhardt, Minister in Austria.

[3] Not printed.

[4] The principal conditions for the release of Vogeler according to the offer

Footnote continued on following page.

The Secretary expressed to Mrs. Vogeler his strong doubts as to the *bona fides* of the offer and indicated to her that in any event the offer involved such questions of principle and practicability as to rule out the possibility of its ultimate acceptance by the US Government. He urged her to give no publicity to the offer as that would only jeopardize the continuing US efforts with the Hungarian Government to effect Vogeler's release. She said that she had already decided against publicity as a threat to ultimate implementation of the proposal.

Mrs. Vogeler, however, persists in her conviction that the offer is bona fide and must be followed up. She talks of going to Washington to see the President. Embassy and Scudder are endeavoring to persuade her abandon convictions re validity and potentialities offer.[5]

The Secretary told Mrs. Vogeler he did not share her concern over her husband's ultimate release, indicated his increased optimism, and referred to similar expression of optimism to Mrs. Smith in San Francisco and recent release of her son.[6]

Following is test of release given press following interview with Secretary.

Mrs. Vogeler has agreed follow lines this release in her press conference later today:

"Secretary of State, Dean Acheson took time out from a crowded official schedule today to see Mrs. Lucille Vogeler. She asked to see him, and an appointment was made for 8:45 this morning. She wished to express her concern for her husband who continues to be in prison in Hungary.

"Secretary Acheson expressed understanding and sympathy for her concern for her husband. He remarked upon her patience and courage through difficult months which have passed since Mr. Vogeler's arrest. Mr. Acheson assured her that the US Government sharing her deep concern, is continuing to give closest attention to her husband's

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Footnote continued from preceding page.

reported upon in telegram 2621, May 12, from London, not printed, were: (1) a guarantee by the International Telephone and Telegraph Corporation of a sum up to $2 million; (2) permission for Hungary to import from the United States "non-secret" goods currently banned for export to Eastern Europe, presumably to be paid for by the sum specified in the previous item; (3) prohibition by the United States, Britain, and France to the granting of transit privileges or asylum to bearers of Hungarian passports seeking to enter Germany or Austria (264.1111 Vogeler, Robert A./5–1250).

[5] Telegram 2691, May 16, from London, not printed, reported that Mrs. Vogeler had a further conversation with an official of the Embassy in London. She appeared to have abandoned her plan to visit the United States to see President Truman and had agreed to avoid further personal publicity. Mrs. Vogeler's conversation with the Secretary of State seemed to have revived her courage and patience and convinced her to await the outcome of official American efforts to achieve the release of her husband (264.1111 Vogeler, Robert A./5–1650).

[6] On May 11 it was reported that the Communist Chinese authorities had released American servicemen William C. Smith and Elmer C. Bender; see footnote 1, p. 1000.

plight, and will persist in its efforts to assist him, to gain access to him and to effect his release and return to the US."

Sent Department 2611, repeated Vienna 106.

DOUGLAS

264.1111 Vogeler, Robert A./5–1550 : Telegram

The Minister in Hungary (Davis) to the Secretary of State

SECRET BUDAPEST, May 15, 1950—5 p. m.

324. Unnumbered Deptel May 11.[1]

Berei informed me today Hungarian Government desires withdrawal "countermeasures" for release Vogeler, viz., (1) reopening consulates, (2) cancellation "freezing" order, (3) withdrawal travel ban. (Comment. Admits "freezing" of little practical value but seems consider face-saving important. To my expressed surprise at reference to travel ban, explained these three were reprisals and want all reprisals rescinded in exchange for release.)

2. Regarding restitution, desires more precise definition our interpretation phrase "found available for restitution" and suggestion method resolve differences opinion that may arise in application thereof. (Comment. He correctly surmised probable wide divergence our, their view what is "available".)

3. Requests written statement our precise offers regarding above information suitable eventual publication and with specific reference Vogeler case. (Comment. Clearly intended for local propaganda attempt show we acknowledge guilt by offering withdrawal reprisals.)

4. Requested, but not as condition release, enlightenment regarding VOA Munich interference. (Comment. Did not attempt explain basis Deptel 182, April 22,[2] feeling more detailed statement will be more effective.)

5. Informally requested information regarding progress staff reduction and complained Radio Bulletin [3] publishing "aggressive" pro-

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[1] It was learned earlier in May that the Hungarian Supreme Court had rejected Vogeler's appeal of his sentence. Telegram 213, May 11, to Budapest, not printed, presumably the message under reference here, requested the Legation in Hungary to ask the Hungarian Foreign Ministry regarding the meaning of the Supreme Court's decision with specific reference to the current American-Hungarian exchanges on the Vogeler case (264.1111 Vogeler, Robert A./5–1150).

[2] Not printed; in it the Department of State offered some preliminary comments on the Hungarian complaint that the Voice of America station in Munich was interfering with broadcasts from Budapest Radio Petofi (511.644/4–1250).

[3] The Wireless (or Radio) Bulletin was the official news service of the Department of State. It was prepared by the Division of International Press and Publications and was transmitted daily by wireless (radio) to foreign service posts abroad. The Wireless Bulletin contained full, official texts of pronouncements by high officials of the United States Government and the Department of State, editorial opinion from leading American newspapers, and other important information. Foreign language editions were distributed in various cities by the United States Information Service.

nouncements by labor leaders, etc., regarding Hungary and Peoples' Democracies generally. (Comment. To my figures showing planned and already partly effected reduction Americans by 47 percent, aliens by 40, his only comment was reference to Czech two-thirds demand and request for informal memorandum showing figures. May be hint future demand further cuts. Regarding Bulletin, I replied policy is print factual reports events in US.)

Full memorandum air pouch.[4] Suggestions for reply in following telegram.[5]

Sent Department 324; repeated London 73.

DAVIS

[4] Minister Davis' detailed memorandum of his conversation with Hungarian Undersecretary for Foreign Affairs Berei was transmitted in despatch 533, May 15, from Budapest, not printed (264.1111 Vogeler, Robert A./5-1550).

[5] Telegram 325, May 16, from Budapest, not printed.

264.1111 Vogeler, Robert A./5-2450 : Telegram

The Acting Secretary of State to the Legation in Hungary [1]

SECRET PRIORITY WASHINGTON, May 24, 1950—7 p. m.

226. Ur 325 May 16 and 324 May 15.[2] This and immed fol tel provide background comments for urinfo on questions arising from current negots for Vogeler's release together with substance of replies which you are authorized communicate Hung FonOff soonest.[3]

In Dept's view, note on reopening consulates and removal travel ban shld omit reference performance US consular functions or treatment US cits in Hung. Believe inclusion qualifying statements wld provoke inconclusive argument and wld jeopardize Vogeler's chances release. Hungs wld probably interpret such references as reservations or conditions and, for prestige reasons, reject note as unsatis. On other hand, fol Vogeler's safe arrival US Zone Aust, we wld be disposed, for purposes insuring clear public understanding our action and effectively counteracting Hung propaganda, to state publicly (1) that Hung consular offices, which are being allowed reopen, will be permitted function so long as US consular reps in Hung are free perform their

[1] This telegram was repeated to London, Vienna, and Frankfort.

[2] Telegram 324 is printed *supra;* regarding telegram 325, not printed, see footnote 5, thereto.

[3] In his telegram 349, May 26, from Budapest, not printed, Minister Davis reported that he had that day delivered to Hungarian Undersecretary for Foreign Affairs Berei two notes and several *aide-mémoire* covering the statements authorized by the Department in this and the next following telegram. Berei expressed the view that progress had been made and a solution appeared to be possible (264.1111 Vogeler, Robert A./5-2650).

functions accordance internatl practice and provisions consular treaty and (2) that passports private US cits will again be validated for travel Hung so long as US cits in Hung are not subjected arbitrary detention and deprivation their fundamental rights and are permitted access, in event arrest, to US consular reps.

In accordance foregoing, you are authorized communicate note Hung FonOff along fol lines: "Upon the release of Mr. Robert A Vogeler by the Hung auths and his safe arrival in the US Zone of Aust, the Govt of the US (1) will approve the reopening of Hung consular establishments in NYC and Cleveland, Ohio, and (2) through its appropriate agencies, will again validate the passports of private US cits who may wish to travel to Hung".[4]

Re restitution, we remain willing expedite delivery Hung goods in US Zone Ger which have been found available for restitution, but we are not prepared in connection Vogeler case to enter into detailed discussion or to bargain with Hungs on questions such as availability or eligibility of particular items property or entry of restitution mission, which are clearly matters for US determination under Art 30 Peace Treaty and on which we have had settled policy for many months. However, we are prepared furnish Hungs with complete list of goods available for restitution and, upon Vogeler's safe arrival US Zone Aust permit two Hung reps enter Ger for purpose receiving that property.

In line above considerations, separate note to Hung FonAff re restitution shld, without referring Vogeler, state in substance that US Govt is prepared, as of date to be agreed upon informally by Hung MinFonAff and US Min, to facilitate delivery of all Hung goods in US Zone of Ger which "have been found available for restitution" and to permit two Hung reps to enter US Zone Ger for purpose receiving restituted property and arranging for its transportation. Note shld further state that, meanwhile, complete list of goods which have been found available for restitution is being prepared and will be furnished Hung Govt for its info. You may inform FonOff orally that abovementioned date to be agreed upon is understood to be date on which Vogeler arrives US Zone Aust.[5]

WEBB

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[4] A copy of the text of the Legation's note No. 143, May 26, incorporating the language authorized here and delivered to the Hungarian Foreign Ministry that day, was transmitted to the Department of State as enclosure 1 to despatch 549, May 26, from Budapest, not printed (264.1111 Vogeler, Robert A./5-2650).

[5] Copies of the Legation's note No. 144 and two Legation *aide-mémoire*, incorporating the views and language regarding restitution authorized here and delivered to the Hungarian Foreign Ministry that day, were transmitted to the Department of State as enclosures 2, 3, and 6 to despatch 549, May 26, from Budapest, not printed (264.1111 Vogeler, Robert A./5-2650).

264.1111 Vogeler, Robert A./5-2450 : Telegram

The Acting Secretary of State to the Legation in Hungary [1]

SECRET PRIORITY WASHINGTON, May 24, 1950—7 p. m.

227. Ur 325 May 16 and 324 May 15.[2] Suggest reply on gen license 32*a* and comments re VOA Munich broadcast be communicated orally Hung FonOff, though, shld Hungs insist on written statements, you are authorized submit *aide-mémoires*.[3]

Releases under 32A probably were negligible, but reinstatement wholly impracticable in existing polit circumstances and wld invite public criticism Dept, particularly by Amer claimants. It wld be equally out of question reinstate 32A either for Hung funds alone or for funds of all three satellites. You are accordingly requested base reply to Hungs on pts previously outlined Dept 180 Apr 21 [4] under Item 3 and add that revocation 32A was in no sense retaliatory step or in any way related Vogeler case; that action had been under consideration for many months and affected Bulg and Rum as well as Hung; and that sole purpose was to conserve blocked funds here which US Govt, in exercise rights under Art 29 of Peace Treaty, might later wish apply towards satisfaction Amer claims.[5]

For urinfo only Fr acquiesced VOA Munich use 1196 KC but agreement was not formalized. Copenhagen Plan [6] assigns Fr Zone Ger 1196 KC with 70 KW power. Under terms Copenhagen Plan Budapest on 1187 KC wld have substantially interference-free service area of 42 miles. However, such area is cut to 22 miles by VOA Munich use 1196 KC with more than double Copenhagen power. Frequency 1195 KC was assigned Ger by Lucerne Convention 1933 and has been in continuing use in Ger since that date. This frequency was taken from Ger by Copenhagen Broadcasting Conference although Ger not represented Copenhagen and unanimous consent four occupying powers not obtained for reallocation Ger frequencies. In view foregoing, consider unwise engage in debate with Hungs on technical aspects this question and suggest you limit further statement to FonOff along fol lines:

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[1] This telegram was repeated to London, Vienna, and Frankfort.

[2] Telegram 324 is printed, p. 1007; regarding telegram 325, not printed, see footnote 5, thereto.

[3] Regarding Minister Davis' presentation to the Hungarian Foreign Ministry of the views authorized in this message, see footnote 3, *supra*.

[4] *Ante*, p. 1003.

[5] A copy of the text of the Legation's *aide-mémoire* of May 26, presenting the views authorized in this paragraph and delivered to the Hungarian Foreign Ministry that day, was transmitted to the Department of State as enclosure 5 to despatch 549, May 26, from Budapest, not printed (264.1111 Vogeler, Robert A./5-2650).

[6] The reference here is to the European radio frequency assignment plan developed at the European Regional Broadcasting Conference, held in Copenhagen, June 25–September 15, 1948. United States occupation authorities in Germany were not formally represented at the conference.

Begin US did not accept Copenhagen Plan but instead made declaration it not prepared implement plan. However, in effort cooperate other Eur nations fullest possible extent, Munich station shifted from 1195 to 1196 KC Mar 15 to conform with Copenhagen Plan channel system and thereby minimize interference to stations on adjacent channels. Measurements taken indicate Budapest transmitter not generally operating on its assigned frequency of 1187 KC. Suggest Hung Govt review standard technical procedures for holding transmitter on precise frequency and for holding modulation within 100% limit to assist in alleviation interference problem annoying to both Govts *End.*[7]

Consider it advisable that you comply, if you have not already done so, with Berei's request (ur 324 Para 5) for informal memo giving figures on reduction Leg staff to date. However, unless question is raised again by Hungs, suggest you endeavor avoid further discussion Radio Bulletin for time being and, in this connection, you shld feel free omit from Bulletin, pending outcome present negots, any items which in ur judgment might jeopardize chances Vogeler's release.

Dept perceives only 3 alternatives re reply to Hung Govt on extradition alleged war criminals (ur 331 May 18,[8] and previous) : (1) further delay reply pending outcome negots re Vogeler's release; (2) notification of denial requests without explanation; and (3) notification re denial requests with accompanying statement US Govt's attitude toward such requests. Denial of extradition request without explanation wld probably provoke Hung Govt and quite possible react unfavorably on our present efforts obtain Vogeler's release. Rejection of requests accompanied by statement of US position probably wld have even more unfavorable effect since such statement cld hardly avoid pointed reference to Hung's systematic violations human rights, perversion of Hung courts, rptd fabrication of evidence in past trials, and other abuses and practices resulting in denial of justice, which preclude any confidence in existing Hung judicial system under Commie control. In these circumstances, it is our view that first alternative of delaying reply pending decision Vogeler case is least objectionable course. Meanwhile, apart from foregoing, Dept is preparing statement US position for use in later reply to Hung requests for surrender alleged war criminals and in due course will forward draft Frankfort and Budapest for concurrence.

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[7] A copy of the text of the Legation's *aide-mémoire* of May 26, delivered to the Hungarian Foreign Ministry that day, setting forth the views authorized here, was transmitted to the Department of State as enclosure 4 to despatch 549 (see footnote 5, above).

[8] Not printed; it reported that the Hungarian Government had renewed one of several unanswered requests for the extradition of alleged Hungarian war criminals. Minister Davis feared that further delay in answering might prove embarrassing in connection with the current Vogeler negotiations (662.0026/5–1850).

264.1111 Vogeler, Robert A./6–1550 : Telegram

The Minister in Hungary (Davis) to the Secretary of State

TOP SECRET NIACT BUDAPEST, June 15, 1950—noon.

386. Legtel 349, May 26 to Department.[1] Berei just told me Hungarian Government accepted our proposals Vogeler case subject two minor points.

(1) Assurance two Hungarian representatives who will be sent Germany make delivery restitution goods will be recognized as official representatives Hungarian Government (*bevolmachtigte*) bearing diplomatic passports.

(2) US military authorities will not place difficulties in way collection and shipment goods.[2]

He states latter request although affirmative answer assumed, obvious based on past unpleasant experience with military who "sometimes act independently". (His jocular manner and laughter all present implied his comment directed at military in general not specifically US.) I replied personally certain that conditions acceptable but would communicate with Department to avoid any possible misunderstanding.

Berei stated on receipt these assurances we could arrange definite date for release Vogeler without delay. When I jocularly expressed hope release before July 4 he replied next week if assurances forthcoming.

Atmosphere interview was cordial with Sik present.

Urgently recommend with reference non-obstruction by military, I be authorized state "US military and civil authorities will render all proper assistance".

Sent niact Department 386, repeated info niact Frankfort 20, London 80.

DAVIS

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[1] Not printed, but see footnote 3, p. 1008.

[2] Telegram 252, June 15, to Budapest, not printed, authorized Minister Davis to communicate the requested assurances to the Hungarian Foreign Ministry (264.1111 Vogeler, Robert A./6–1550). In his telegram 391, June 16, from Budapest, not printed, Davis reported that the authorized assurances were delivered to the Foreign Ministry that morning. Hungarian Undersecretary for Foreign Affairs Berei stated that full agreement had thus been reached, and Hungarian authorities would proceed immediately with the arrangements for Vogeler's deportation. Berei promised to advise Davis on June 19 of the exact day and hour of the release (264.1111 Vogeler, Robert A./6–1650).

Secretary's Memoranda: Lot 53 D 444: Secretary's Memoranda—June 1950[1]

Memorandum by Mr. Aaron S. Brown, Assistant to the Director of the Executive Secretariat, to Mr. Lucius D. Battle, Special Assistant to the Secretary of State

SECRET [WASHINGTON,] June 21, 1950.

Reference your memorandum of June 20 concerning Ambassador Bliss' inquiry about the Crown of St. Stephen.[2] The following information has been obtained from EE—Yost[3] and McKisson:[4]

Discussion

Since reports of the possible release of Vogeler in the near future were leaked to the press a few days ago by the British,[5] a minor furore has been raised over the allegation that the Crown of St. Stephen would be turned over to the Hungarian Government as ransom for Vogeler. The fact is that the U.S. has never mentioned or even contemplated the use of the Crown in this connection. Neither have the Hungarians made any demand in this regard. In the negotiations for Vogeler's release, we have offered the Hungarians (1) permission to reopen their New York and Cleveland consulates, (2) lifting of the ban on travel of Americans to Hungary, (3) restitution of certain items belonging to Hungary which are now in Germany.

The Crown is also in Germany, but we have no intention of turning it over to the present Hungarian Government. The widespread discussion of the possibility that the relic might be used under (3) above is, however, causing the Department considerable concern. It would be most unfortunate if the question of the Crown were now to be

[1] Lot 53 D 444 is a comprehensive chronological collection of the Secretary of State's memoranda and memoranda of conversation for the years 1947–1953, as maintained by the Executive Secretariat of the Department of State.

[2] In the memorandum under reference here, not printed, Battle recorded that former Ambassador Robert Woods Bliss had telephoned him that morning from Boston. Ambassador Bliss said that he had just arrived in Boston by train and had read in the newspapers that the negotiations with Hungarian authorities over Robert Vogeler involved a demand that the United States return the Crown of St. Stephen (a part of the Hungarian royal regalia) to Hungary. Ambassador Bliss said he was "horrified" by the thought of any such action and wanted Secretary of State Acheson to know of it as soon as possible. Ambassador Bliss also said that he planned to discuss the matter with Secretary Acheson during the Secretary's trip to Cambridge, Massachusetts (Secretary's Memoranda, Lot 53 D 444, Secretary's Memoranda—June 1950). Secretary Acheson delivered a foreign policy address before the Harvard Alumni Association in Cambridge on June 22. Battle accompanied the Secretary on his trip.

[3] Charles W. Yost, Director of the Office of Eastern European Affairs.

[4] Robert M. McKisson, of the Office of Eastern European Affairs.

[5] In a memorandum to Under Secretary of State James C. Webb., dated June 22, not printed, Office Director Yost observed that on June 18, information concerning the American-Hungarian negotiations for the release of Robert Vogeler was leaked to the press in Vienna, presumably by an official in the British Legation there. Subsequently a flood of speculative and inaccurate reports appeared in the press in the United States and abroad. Yost expressed the view that the reports had a most damaging effect on the course of the Vogeler negotiations, and he suggested they were the cause of the Hungarian decision not to go through with the promised release (264.1111Vogeler, Robert A./6–2250).

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injected into the Vogeler negotiations. In view of the excitement over the Crown, the Department fears that the Hungarians will suddenly demand it as a further condition for Vogeler's release, if only to cause us embarrassment. Consequently, we consider the present rumors concerning the Crown prejudicial to the success of our efforts in the Vogeler case and hope that they may be stilled.

Recommendation

While it is desirable, in view of the above, to restrict public discussion of the Crown as narrowly as possible, it is recognized that the situation will have to be explained to Ambassador Bliss. Therefore, it is suggested that the Secretary emphasize that the Department's views are strictly secret. He might then inform Mr. Bliss that we have never considered St. Stephen's Crown a subject for inclusion in the Vogeler negotiations and that the rumors are without foundation. He might assure Mr. Bliss that the Department earnestly hopes that the current public agitation of this matter will die out and that we will not be forced into public comment regarding it which might adversely affect Vogeler's chances of release by goading the Hungarian Government into demanding the return of the Crown.[6]

[AARON S. BROWN]

[6] The manner and content of the Secretary of State's communication to Ambassador Bliss, if any, has not been determined. In telegram 636, June 27, to The Hague, sent also to Lisbon and repeated to Budapest, Vienna, and London, not printed, the Department of State informed that the current speculative press reports regarding the Crown of St. Stephen were wholly without foundation since the Crown had never been mentioned in the course of the Vogeler negotiations. The position of the United States Government continued to be that the time was not opportune for any decision on the disposition of this special property. The missions were requested to avoid all comments to the press and also, insofar as was possible, any discussions with foreign government officials or exiles, regarding the Vogeler negotiations (264. 1111 Vogeler, Robert A./6-2350).

264.1111 Vogeler, Robert A./6-2150 : Telegram

The Secretary of State to the Legation in Hungary

SECRET WASHINGTON, June 21, 1950—7 p. m.

PRIORITY NIACT

264. Ur 396 June 19 and 401 June 20.[1] Dept cannot accept Hung demands re VOA broadcasts or agree undertake negots on that subj as condition precedent release Vogeler. At same time Dept believes that, in view recent developments, most likely means of assuring

[1] Neither printed. The latter telegram reported that on June 20 Hungarian Undersecretary for Foreign Affairs Berei had clearly intimated to Minister Davis that the Hungarian Government could not go through with the promised release of Vogeler unless the United States Government agreed to abandon Voice of America Hungarian-language broadcasts from Munich over the currently used wave length (1196 kc) (511.644/6-2050).

Vogeler's release is to convince Hungs that it will be useless for them attempt extract further concessions from US. Fol are reasons for ur background: (1) As reported ur 391 June 16[2] Hungs, fol full agreement on all stipulated pts, definitely undertook proceed immed release Vogeler. If we permit injection additional issues this stage Hungs may continue raise price and negots be infinitely prolonged. (2) Our position has consistently been to offer in exchange release Vogeler withdrawal measures taken in retaliation his arrest but not to make further concessions. We can defend this position to US public and Congress but further concessions, particularly touching VOA, which is wholly extraneous Vogeler case, wld be represented as yielding to Hung blackmail. (3) Ill-informed publicity here, resulting from unfortunate Brit leak, is already creating complications which, if allowed to gain momentum over period of days, may make it extremely difficult for Dept even to go through with what has already been agreed. (4) Concessions on VOA broadcasts sufficient to satisfy Hungs wld jeopardize important VOA objectives and likelihood successful negot this issue therefore remote.

In light these considerations you shld inform FonOff orally that US Govt, which is prepared carry out all measures to which it agreed in recent negots with HunGovt, expects latter promptly carry out in good faith assurances conveyed by Berei June 16 that, full agreement having been reached, Vogeler would be promptly released.[3] You shld state that US Govt cannot agree injection into negots at this stage of further Hung demands. You shld then emphasize in appropriate manner that US Govt has gone as far in agreement already reached as it is able to go and is not prepared, prior Vogeler's release, to enter into renewed discussion subsidiary matter which, although previously considered with view to mutual clarification, has now been revived as primary question. You shld then add that fol Vogeler's release US Govt is prepared discuss any further issues outstanding between two govts, including VOA broadcasts, with view seeking mutually satis arrangement. You shld make clear, however, that due to publicity, which US considers most unfortunate, complications may arise, despite good will of both parties, such as to render entire negots abortive. US Govt considers therefore that if HunGovt seriously intends release Vogeler, it shld do so within next few days, whereupon we shall immed carry out measures which have been agreed on our part.

ACHESON

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[2] Not printed, but see footnote 2, p. 1012.
[3] Regarding Berei's assurances on June 16, see *ibid.*

264.1111 Vogeler, Robert A./6–2250 : Telegram

The Minister in Hungary (Davis) to the Secretary of State

SECRET NIACT BUDAPEST, June 22, 1950—5 p. m.

407. Saw Berei this afternoon, made statement substantially Deptel 264.[1] He appeared quite disappointed. Repeatedly reminded me some solution interference question a Hungarian condition from start. Had accepted our statements at June 16 interview[2] on belief radio interference cleared up but since subsequently assured by "Hungarian experts" interference continues agreement had not in fact been reached. To my repeated insistence interference could be due either station and in fact Hungarian frequently blankets VOA he impervious, would only promise refer matter again Hungarian Government but felt solution interference question essential before Vogeler release. Insisted promise discuss this or other issues after release not *quid pro quo* and less than we previously offered.

Saw point danger from press leak[3] but not greatly impressed remarking his government not at fault.

Upon departure Sik aside to Mokma expressed disappointment said Hungarians had hoped for final solution case last week based on effective elimination interference.[4]

DAVIS

[1] *Supra.*

[2] See footnote 2, p. 1012.

[3] Regarding the press leak under reference here, see Brown's memorandum of June 21 to Battle, p. 1013.

[4] In his telegram 408, June 22, from Budapest, not printed, Minister Davis expressed the belief that the real issue for Hungarian authorities was the elimination of Hungarian-language Voice of America broadcasts on a wave length adjacent to that used by Budapest Radio Petofi, and he suggested the suspension of such broadcasts pending mutually satisfactory technical arrangements. Davis concluded his message as follows:

"Is there no other possible channel for this program which Hungarian people now cannot hear since Petofi effectually blankets. We gain little by continuing use 1196 for Hungary whereas Vogeler remains jail." (264.111 Vogeler, Robert A./6–2250).

264.1111 Vogeler, Robert A./6–2250 : Telegram

The Secretary of State to the Legation in Hungary

TOP SECRET WASHINGTON, June 23, 1950—8 p. m.

PRIORITY NIACT

270. Ur 407 and 408 June 22.[1] While fully appreciating importance of exhausting every appropriate means effecting Vogeler's release, we feel that pol considerations (Dept 264 June 21[2]) render acceptance

[1] Telegram 407 is printed *supra;* telegram 408 is not printed, but see footnote 4 to telegram 407.

[2] *Ante,* p. 1014.

Hung demand for abandonment VOA Hung language broadcasts from Munich as *quid pro quo* for Vogeler release entirely out of question.

It is our understanding, after consultation Dept experts, that shift of Hung language broadcasts to Salonika is probably technically possible, but since programs in several other Eastern Eur languages are on same wave length this wld not substantially reduce interference with Petofi. This raises serious doubts as to sincerity of motives behind Hung complaints re such interference. Moreover, we perceive no way whereby we cld agree as part present negots take such action without resultant serious loss prestige and adverse pol repercussions in US. As indicated Dept 264, it appears probable in event Vogeler's release, even on basis previously agreed terms, that Dept wld be subjected considerable criticism on grounds of having submitted Hung blackmail. Added criticism to effect we had yielded to Hung dictation in matter affecting VOA program, a principal instrument of our policy in Eastern Eur, wld be most damaging. Acceptance Hung demand might also create dangerous precedent and encourage other Sov satellite govts attempt similar maneuvers.

Pres, who was yesterday informed by Under Sec re status Vogeler case, has expressed approval of our firm stand on basis agreement June 16 [3] and of our refusal yield to new demands. In view considerations outlined above and in Dept 264, you are requested reiterate FonOff in most firm manner US attitude as set forth final para Dept 264 and add that this represents final US position in matter, beyond which US Govt cannot go. You may of course repeat that, after Hung Govt has carried out its commitments by releasing Vogeler, US Govt will be prepared make every effort reach mutually satis settlement this and other issues outstanding between two govts.

ACHESON

[3] Regarding the agreement of June 16, see footnote 2, p. 1012.

264.1111 Vogeler, Robert A./6–2250 : Telegram

The Secretary of State to the Legation in Hungary

SECRET WASHINGTON, July 28, 1950—9 p. m.

35. Urdes 635 June 22.[1] Believe present impasse Vogeler negots which has followed upon Brit leak Vienna and resultant harmful publicity may now be prolonged indefinitely by unfavorable internatl situation unless we press Hungs for decision.[2] In circumstances, while

[1] Not printed; it transmitted a memorandum of Minister Davis' conversation with Hungarian Undersecretary for Foreign Affairs Berei on June 22 reported upon in telegram 407, June 22, from Budapest, p. 1016.

[2] In his despatch 41, July 19, from Budapest, not printed, Minister Davis reported that there had been no development in the Vogeler case since his conversation with Berei on June 22. (264.1111 Vogeler, Robert A./7–1950)

we wish avoid breaking off negots so long as any real hope, however slight, remains of Hungs carrying out agreement reached on June 16,[3] we feel we shld not allow Hungs keep matter indefinitely in suspense and by deliberate delaying tactics deprive us of freedom of action in case. Accordingly suggest, if you concur, that you see Berei at earliest opportunity and press for Vogeler's release. You shld state that June 16 understanding constituted firm agreement, binding on both US and Hung Govts, for resolution this issue and that US Govt, reaffirming willingness carry out its undertakings this regard, calls upon Hung Govt to act in good faith by fulfilling its commitment to release Vogeler.

If Berei reverts to question radio interference, you shld reiterate firmly that this matter, which is obviously not germane to issues Vogeler case, was previously clarified as requested and at no time prior final agreement June 16 figured in negots as condition (ur 324 May 15 [4]) for Vogeler's release.[5]

ACHESON

[3] Regarding the agreement of June 16, see footnote 2, p. 1012.

[4] *Ante*, p. 1007.

[5] Minister Davis subsequently recommended and the Department of State concurred regarding the advisability of refraining from bringing strong pressure to bear on Hungarian authorities in the Vogeler case and instead allowing the Hungarians to take the initiative in resuming the negotiations. In telegram 53, August 21, to Budapest, not printed, the Department observed that in view of the failure of Hungarian authorities to initiate renewed discussions, Davis was to approach the Foreign Ministry expressing the continuing concern of the United States Government regarding Vogeler's situation and reaffirming the American willingness to carry out the understanding of June 16 (264.1111 Vogeler, Robert A./8–1950).

264.1111 Vogeler, Robert A./9–1150 : Telegram

The Minister in Hungary (Davis) to the Secretary of State

SECRET PRIORITY BUDAPEST, September 11, 1950—5 p. m.

106. Legtel 89, August 30.[1] Have just seen Berei [at] his request. Referring our previous talk said had consulted his Government whose position remains removal interference VOA with Petofi condition precedent release Vogeler. His attitude throughout was interference entirely our fault since Petofi using authorized wave length in Hungary for broadcasts in Hungarian. My repeated efforts get him admit interference problem mutual unavailing. This phase conversation ended with Berei's statement his Government would require statement

[1] Not printed. In it Minister Davis reported that he had that day called on Hungarian Undersecretary for Foreign Affairs Berei in pursuance of the Departmental instructions in telegram 53, August 22, to Budapest (see footnote 5, *supra*). The interview was cool and inconclusive, and Berei made repeated references to alleged Munich VOA radio interference with Radio Petofi (264.1111 Vogeler, Robert A./8–3050).

substantially following effect: "If interference cannot otherwise be abolished, US will cease use present wave length for Hungarian language broadcasts." Was perfectly willing technicians both countries meet discuss interference problem, but unwilling agree in advance adopt any findings which would involve alteration Petofi wave length or engineering changes Petofi installation. I replied our argument now going around in circles, could only report to my Government.

Berei then said wished raise very minor matter in order avoid any possible misunderstanding. Hungarian Government assumes as matter of course Saint Stephen's Crown among objects to be restituted since this clearly property Hungarian Government removed by Germans before January 20, 1945. I replied by no means clear crown restitutable under paragraph 3, article 30 of the [peace] treaty. Berei indicated definite assurances crown would be included indispensable condition. Full report follows pouch.

DAVIS

264.1111 Vogeler, Robert A./9–1150

The Minister in Hungary (Davis) to the Secretary of State

SECRET BUDAPEST, September 11, 1950.

No. 174

Reference is made to my telegram No. 106 of September 11 [1] reporting on a conversation on that day with Undersecretary of State Andor Berei in continuation of our prolonged negotiations for the release of Mr. Robert Vogeler from prison and his expulsion from Hungary and to enclose a memorandum of that conversation.[2]

Both from Mr. Berei's uncompromising attitude in the matter of radio interference and from his raising at this late date of the question of the Crown of St. Stephen it is a reasonable conclusion that the Hungarian government has no intention at this time of releasing Mr. Vogeler except at the price of a complete surrender by the United States government to the wishes and whims of the Hungarian government. In regard to the matter of radio interference it will be observed from this and previous conversations that while Mr. Berei has been careful outwardly to stand on the position taken by the Hungarian government from the very beginning of our negotiations, in fact he had gradually shifted from a position permitting a cooperative effort to solve a mutually unsatisfactory situation to one requiring the United States alone to act in the matter. It thus becomes clear that

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[1] *Supra.*
[2] Not printed.

the real objective has been all along to force the United States to abandon its broadcasts in the Hungarian language from transmitters in Germany on 250 meters. The situation is ironical in that our continued use of that wave length serves little practical purpose since the Hungarian government's own station, Radio Petofi, effectively blankets our broadcasts. Yet, to surrender use of that wave length under pressure would be a submission which could only whet the appetite of the Hungarian Government for further demands on us.

Mr. Berei's raising of the question of the Crown of St. Stephen is less easy to analyze at the present moment but it would seem not unreasonable to suppose that he is using it as a second line of defense on which the Hungarian government could fall back in the event of our surrender in the matter of radio broadcasting. Without this, or some other new obstacle, Mr. Berei would have been left with no ground for further delay in implementing our agreement in the not impossible event that I had been able to tell him that because of effective blanketing by Radio Petofi the United States was abandoning Hungarian language broadcasts on 250 meters.

Trying to look at the matter objectively but inevitably affected by the bitterness engendered by Mr. Berei's behavior it seems probable to me that the Hungarian government has deliberately dangled before our eyes the possibility of obtaining Mr. Vogeler's release for the sole purpose of ascertaining how high a price we were prepared to pay. The Hungarian government must be perfectly well aware that the United States cannot submit to blackmail in the matter of the Hungarian Crown. In raising that issue, then, it seems to me that it has given clear indication of its determination not to release Vogeler at this time. Whether the question of the Crown has been in the back of the Hungarian mind from the beginning, or whether it was implanted there by irresponsible press despatches from Vienna last June (or indeed whether those despatches were inspired by Hungarian agents) I have no way of knowing. I can only say at this time that there has been no previous reference to the Crown in any discussions I have held with any Hungarian official.

There is irony in this situation also, the Crown being of little intrinsic value itself and as a symbol of monarchial sovereignty not an object to which the democratic United States or Communist Hungary can attach any great sentimental or symbolic value. Regaining possession of the Crown would be a very considerable internal political triumph for the regime. Our retention of it gives the regime a useful propaganda weapon. Either way, we seem to be the losers.

If the foregoing reasoning is correct the conclusion is inevitable that the Hungarian government looks upon Vogeler with complete cyni-

cism as a pawn to be traded in the game of international politics. In indicating a willingness to trade him it has not obtained from us an offer which it considers satisfactory. I can only repeat what I have said before that sooner or later the Hugarian government will doubtless desire something from us which is considers of sufficient value to give up Vogeler in exchange for it. What that something will be I cannot predict. At one time during my negotiations with Mr. Berei I was led to believe that the re-opening of Hungarian consulates in the United States was considered by the Hungarians as of sufficient value. It now appears that I was played for a sucker.

NATHANIEL P. DAVIS

264.1111 Vogeler, Robert A./12–1650 : Telegram

The Minister in Hungary (Davis) to the Secretary of State

SECRET BUDAPEST, December 16, 1950—noon.

300. Legtel 292, December 12.[1] Berei summoned me today, handed me *note verbale* replying our *aide-mémoire*, December 12. Note states "Re Legation's viewpoint question visiting Vogeler, Hungarian Ministry Foreign Affairs states this viewpoint lacks all legal foundation and under present circumstances Hungarian authorities unable meet such request." Note further rejects our statement accusing Hungarian Government failure carry out June agreement, asserting continued willingness accept our proposals if (1) radio interference ceases, and (2) "objects of art representing historic value (as namely St. Stephen's crown) will be counted among the goods coming under restitution."

In verbal discussion Berei stated because Vogeler convicted espionage enjoys no right receive visits but was unable cite specific legal provision. Protracted discussion basic questions covered usual ground.

Full memo follows pouch.[2]

DAVIS

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[1] Telegram 167, December 5, to Budapest, not printed, instructed the Legation to approach the Hungarian Foreign Ministry at the earliest possible moment and request that a consular representative be permitted at regular intervals to visit and talk to Robert Vogeler at his place of detention or elsewhere. The Department of State was aware the Hungarian compliance was unlikely, but it believed that such a demand, even if rejected, was important for the record and, in view of the existing stalemate in negotiations regarding Vogeler's release, might help keep the case under active Hungarian consideration (264.1111 Vogeler, Robert A./12–550). The telegram under reference here, not printed, reported that the Foreign Ministry had been approached along the lines instructed by the Department (264.1111 Vogeler, Robert A./12–1250).

[2] Minister Davis' memorandum of conversation was transmitted to the Department in despatch 448, December 16, from Budapest, not printed (264.1111 Vogeler, Robert A./12–1650).

611.64/12-2050

The Minister in Hungary (Davis) to the Secretary of State

CONFIDENTIAL
No. 456

BUDAPEST, December 20, 1950.

I have read with much interest Despatch No. 109, October 30, 1950,[1] from the American Embassy at Praha surveying United States-Czechoslovak relations during Mr. Briggs' first year as Ambassador to Czechoslovakia.

My own incumbency as Minister to Hungary covers an almost identical period; the pattern of relations between the United States and Hungary has been similar to that of relations between the United States and Czechoslovakia, differing in degree but scarcely at all in substance; my conclusions as to the utility of maintaining a mission at this capital are the same as Mr. Briggs' with reference to his mission at Prague.

When I arrived in Budapest in October 1949 the mission had been conducted by a Chargé d'Affaires for a period of approximately nine months following the departure of Mr. Chapin who had been declared *persona non grata.* That action, taken by the Hungarian Government following the Mindszenty trial for transparent domestic and foreign propaganda purposes, had certainly done nothing to rebuild friendly relations of long standing between the two governments which had been interrupted by the war. And it soon became apparent that the decision of the United States Government to let by-gones be by-gones to the extent of accrediting a new Minister, and the willingness of the Hungarian Government to receive one, did not signify a turn for the better.

In the period immediately following the cessation of hostilities, at first while the Allied Control Commission was in Hungary and later, after the conclusion of a Treaty of Peace and the establishment of a Legation, contacts between American representatives and Hungarians, both in and out of the Government, were wide spread and friendly. It was not long, however, before pressures from the Hungarian side, implemented particularly by the Security Police, rendered unofficial contacts increasingly difficult to maintain while at the same time officials of the Government gradually withdrew from even the most casual of social contacts with Western, and particularly American and British, representatives, while official exchanges on matters of business were gradually restricted to a few officials of the Foreign Office.

On my arrival I made an unsuccessful effort to reverse this trend. On the occasion of my protocol calls on the Minister of Foreign Affairs, the Prime Minister and the President of Parliament as well as on the occasion of presenting my credentials to the President of the Presi-

[1] Not printed.

dium, I emphasized my desire to contribute what I could to the improvement of our relations. After consultation with the Chief of Protocol, I asked for appointments to call upon each member of the Cabinet, he having assured me that such calls would be in order. But although I repeated the request on a number of occasions, no appointments were ever made except with Mr. Rakosi, the real boss of Hungary, despite his title of "Deputy Prime Minister", and that only after more than two months of insistence and persistence on my part in connection with the Vogeler case. The disinclination or fear on the part of Hungarian officials to be seen even casually in my company was dramatically illustrated within a few weeks after my arrival. At a cocktail party offered by the Swedish Minister to meet the members of a Swedish Trade Delegation I was introduced by a Foreign Office acquaintance to the then Under Secretary and real power in the Ministry of Finance. As soon as this gentleman learned my identity he not only withdrew his proffered hand but withdrew from my presence, went straight to the lobby, retrieved his hat and coat and departed.

Within less than a month of my assumption of charge of this mission came the arrest of Robert Vogeler on charges of espionage. As is known Mr. Vogeler was convicted on fantastic and demonstrably false charges and sentenced to 15 years imprisonment. This case has colored and embittered relations between the two Governments as well as personal relations between myself and the Foreign Office, and still remains unresolved.

As in Mr. Briggs' case my personal relations within the Ministry of Foreign Affairs are of the most tenuous character. I have been in the office of the Foreign Minister, who in fact is no more than a figurehead, on only three occasions—these being on my first arrival and twice within my first two months here in connection with the Vogeler case. In addition to this I have laid eyes on him on perhaps four occasions, all being large public functions, and on none of which have we progressed beyond passing the time of day. I have seen the Under Secretary, Mr. Berei, who is the real power in the Foreign Office, on an average of about once a month, sometimes on his initiative and sometimes on mine—on each occasion to argue, mostly in circles, about the Vogeler case or matters subsidiary thereto. I have once been in the office of the Chief of Protocol when I insisted in the face of manifest lack of enthusiasm on his part in learning at least where his office is in the rabbit warren Foreign Office Building and learning my way to it. I have never been in any other room in the Foreign Office and know no more than a handful of its functionaries even by sight. I have never been inside any other Ministry. I have had two long and, as an intellectual exercise, interesting if quite unsatisfactory interviews with Mr. Rakosi in his office in the Communist Party Headquarters.[2] He is

[2] Regarding Minister Davis' two conversations with Rákosi, see footnote 1, p. 982, and telegram 224, March 27, from Budapest, p. 999.

in fact the only Hungarian official with whom I have conversed who speaks frankly, will listen attentively to what I have to say, and is willing to argue or discuss. Mr. Berei and the others confine themselves for the most part to repeating prepared or preconceived statements.

Except for servants, policemen, postmen, shopkeepers and officials I have met and talked with very few Hungarians. I must say that those few, and most of the others, have been friendly and quite obviously unsympathetic with the regime, while friendly disposed towards the United States.

The Anti-American campaign in the local press, which began even before the Mindszenty trial, has continued unabated during my entire stay here. It waxes and wanes in shrillness and intensity but the curve of vituperation and insult has been steadily upward. Since shortly after the Vogeler trial there has been relatively little direct attack on, or slander of the Legation itself as compared with the immediately preceding period, the emphasis having shifted to denunciation of prominent personages in the United States and the warmongering, imperialistic, aggressive, underhanded policy of the United States Government. The low point (so far) was reached a few weeks ago in a probably fictitious interview reported in the local press between a people's educator and a skilled worker. The educator was portrayed as remonstrating with the skilled worker for not attending party lectures with greater regularity. The worker is quoted as replying that he does his work to the best of his ability, contributes to peace causes and hates Truman and this ought to be enough but the people's educator explains that merely to hate Truman passively comes very close to treason towards the cause of the People's Democracy unless that hatred is expressed in more assiduous attendance to party duties.

We may never know in full detail the exact motives actuating the Hungarian Government in the Vogeler case or to what extent it was acting on its own initiative or under instructions or guidance. From the propaganda treatment of the case, however, and from subsequent events it is safe to deduce that at least part of the motivation was to further the isolation and force a reduction in the size of this mission and possibly, to needle us into breaking relations. I must in all candor agree with Mr. Briggs' analysis that given existing circumstances the mission was over-generously staffed at the time, particularly as regards the Service Attachés and their enlisted personnel. We had assigned here seven officers of the Army and Air Force—full Colonels, Lieutenant Colonels and Majors—with numerous enlisted assistants: a staff which it was extremely difficult to justify, and which naturally was an irritant to, and object of suspicion by, the Hungarians and their Soviet allies. Unlike the Czechoslovakian Government the Hungarians never demanded a specific reduction in force. That they were prepared to do so is entirely possible but the breaks gave us the opportunity to

forestall such action by a voluntary reduction, possibly far less drastic than they might have insisted upon had we been intransigent, but also probably more drastic than they ever expected on our own initiative. The result is a compact and well-balanced staff of 34 Americans (including the Service Attachés) and 59 Hungarians, as compared with approximately twice these numbers a year ago. For present conditions this staff is adequate to the performance of essential functions and does permit a considerable amount of observation and the acquiring of information, not excluding some useful personal contacts. For while the Chief of Mission has been quite effectively isolated, some of the subordinate members of the staff are able to maintain a few unobtrusive contacts inherited from better days.

To our considerable surprise the USIS has been able to continue and even accelerate the volume, if not the scope, of its activity. Attendance at the Library has not only held up during the year but actually increased; attendance at film shows has sky-rocketed; both the Hungarian and the English versions of the Radio Bulletin are widely disseminated. In this connection it may be remarked that although some of the official addressees who heretofore received the British news bulletin have recently requested that it no longer be sent to them we have had almost no refusals for ours.

All American members of the staff are aware of a certain amount of surveillance by the Security police and Hungarian employees, including domestic servants in American homes, are occasionally questioned or called in to report on the activities of their employers. But, generally speaking, this official curiosity has been less persistent and less annoying during the past nine or ten months than during the immediately preceding period. Observation from the street, telephone calls at odd hours which turn out to be "wrong numbers" and questioning of servants seem for the time being to have dwindled to the category of routine checks to keep the dossiers up to date (there has been no repetition of all day observation of my house by a man with field glasses posted on the hillside across the way; nor has my car been followed, so far as I am aware, for months).

The VOA and the BBC are listened to avidly and the Legation is able to feed much useful material to IBD. While it is impossible to obtain anything approaching accurate figures we have good reason to believe that the listening audience for the once popular and most conveniently timed evening VOA program has been reduced very much due to effective jamming of reception, at least in the Budapest area, but we have equal reason to believe that the number of listeners to other programs has increased. Certainly what the VOA says one day seems to be well known throughout the city the next.

While negotiations for the release of Mr. Vogeler have reached an impasse with no break presently in sight; although no progress has

been made in the settlement of any other outstanding matter between us; despite the progressive isolation of the Legation; and although officially sanctioned and directed anti-Americanism proceeds apace, I agree with Mr. Briggs on the desirability of maintaining representation so long as that can be done with dignity. One is constantly aware of a feeling of frustration and at times cannot avoid wondering whether it is all worthwhile. But to surrender to any such feeling of despair would please the regime no end and that in itself is a reason to stick it out. We do feel that our presence here has its value. The flag, which we also fly daily at the office, at my residence, and on my car, is a reminder of our existence and we assume that our reports to the Department are of some value. Certainly our services to the VOA are used and appreciated.

As in Praha, the daily display of the flag is in itself worthwhile. The Chancery building faces Szabadsag Ter (Freedom Square) in which stands one of the several monuments to the Soviet war dead. This monument is the focal point of ceremonies on various Hungarian and Soviet holidays. The crowd at such ceremonies, usually assembled under direction, can watch the Stars and Stripes flying from the third floor, and thus above the Soviet and party flags with which the Square is profusely decorated on such occasions, and can contemplate its significance while listening, or seeming to listen, to the orators of the day. My residence is on a street much used by marching columns of workers' organizations, youth groups and the like going to and from organized outings in the hills. The flag, prominently displayed, seldom fails to attract the glances of the marchers. The flag on my car naturally attracts attention as I drive about the city and more so in the country. On a few occasions it has elicited uncomplimentary shouts from passers-by, including I am sorry to say, school children marching in formation. But for every such incident I can say conservatively that there have been 50 others when passers-by have raised their hats or saluted, sometimes after a quick look around to see who may be watching.

NATHANIEL P. DAVIS

POLAND

INTEREST OF THE UNITED STATES IN THE WELFARE AND FUTURE OF THE POLISH PEOPLE; EFFORTS TO RESOLVE PROBLEMS IN RELATIONS WITH THE POLISH GOVERNMENT

122.48/3–750 : Telegram

The Ambassador in Poland (Gallman) to the Secretary of State

CONFIDENTIAL WARSAW, March 7, 1950—5 p. m.

346. Embtel 267, February 24.[1] The question of establishment of a consulate at Katowice was raised by us in July 1949 and approved by Department and presented to the Foreign Office by us in October 1949.[2] For five months now we have been trying to get a definite answer from the Foreign Office only to be told repeatedly that the matter is under consideration. Foreign Office will probably let matter drag indefinitely. In any event, possibility of our getting favorable reply in the light of prevailing atmosphere is slight. Should we however get a favorable reply, then we must face the fact that it will be possible to do only very limited amount of work. Since we first raised question eight months ago, conditions in Poland have radically changed. Enactment of late secret act, spy trials and general intimidation of public make normal functioning today of a consulate at Katowice impossible. For same reasons probably only a limited amount of USIS work could be carried on. Then too, it is questionable whether suitable quarters can be found, and in this respect Polish Government would no doubt place obstacles in our way rather than be helpful.

In view of all this, we do not think it is worthwhile to continue press Foreign Office. We suggest not to withdraw request but to let it rest, and when time is propitious in Department's view, cite it to Polish Government with request that it reduce its consulates in the States to number we have here, two. Closing of Polish consulates in Pittsburgh and Detroit we still feel would hit Polish Government badly (Embtel 1489, November 14, 1949 [3]).

GALLMAN

[1] Not printed. It reported that a Polish Foreign Ministry official had informed the Embassy that no action would be taken on the American request to establish a consulate at Katowice until a review of Polish consulates abroad had been completed (122.48/2–2450).

[2] For documentation on the question of the establishment of a consulate at Katowice, see *Foreign Relations*, 1949, vol. v, pp. 499 ff.

[3] Not printed.

120.32148/3–1550 : Telegram

The Ambassador in Poland (Gallman) to the Secretary of State

SECRET PRIORITY WARSAW, March 15, 1950—5 p. m.

399. Embtel 391, March 14.[1] Pass Department of Defense. When I called on Acting Foreign Minister Wierblowski[2] today, he told me Polish Government wanted us to reduce staffs of our Service Attachés between now and April 15. He opened conversation in light vein observing that Poland neither had military alliance with US nor was expecting war between the two countries. The details of his remarks were set forth in a Polish *aide-mémoire* which he handed me along with an "unofficial" English translation. The English version he handed me reads as follows:

"At the present moment at the offices of the Military, Naval and Air Attachés with the Embassy of the United States in Warsaw there are ten diplomatic representatives and 23 auxiliary personnel, i.e. together 33 persons.

"In 1939, that is on the eve of the Hitlerite attack on Poland, only one officer represented the Armed Forces of the United States in Poland.

"The Polish Government states that it does not see any justification for the maintenance at present of such numerous personnel of the United States Military, Naval and Air Attachés in Warsaw. According to established and recognized international usages in that respect undoubtedly known to the Government of the United States the receiving state may on the basis of its sovereign rights establish principles pertinent to the number of personnel with foreign diplomatic missions on its territory.

"The Polish Government, taking use of these rights, wishes to apply to this question the principle of reciprocity.

"In consideration of the above since the personnel of the Polish Military Attachés Office in Washington has never been more numerous than a few persons and since the Government of Poland does not intend to increase the number of that personnel (diplomatic and non-diplomatic) above the figure of 12 persons, the Acting Minister of Foreign Affairs requests the reduction of the personnel of the Military, Naval and Air Attachés Offices with the Embassy of the United States so that on the date of April 15, 1950 they should not exceed the number of 4 diplomatic representatives and 8 auxiliary personnel, i.e., together 12 persons. Warszawa March 15, 1950."[3]

I told Wierblowski that I would at once telegraph the substance of his *aide-mémoire*. Fortunately I said there would be some time to work this matter out in an orderly way. I asked whether my understanding

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[1] Not printed.

[2] During the illness of Polish Foreign Minister Zygmunt Modzelewski, Stefan Wierblowski, Secretary General of the Polish Foreign Ministry, served as Acting Foreign Minister.

[3] Copies of the Polish language original and the translation quoted here were transmitted to the Department of State as enclosures to despatch 463, March 21, from Warsaw, none printed (601.1148/3–2150).

was correct that the 4 diplomatic representatives and 8 auxiliary personnel mentioned in the *aide-mémoire* meant Americans and he confirmed this.

In outlining orally to me the Polish Government's request, Wierblowski particularly stressed that the Polish Government reserved to itself the right to fix the size of foreign diplomatic missions on its territory. He asked me to call especial attention to this in my message to the Department. I think this indicates that this same principle might very well be used later by the Polish Government to support request to reduce our civilian staff.

As the Department knows, we have felt for quite some time that the Polish Government would sooner or later ask us to reduce our conspicuously large service staffs. I think we are fortunate that the request has come initially in the form it did and not through declaring a number of our service people *personae non gratae* with a short time limit set for departure.

The reduction asked for is drastic but the effect should not be as severe at least so far as field work is concerned as it would have been some months ago before the regulations governing movements of our Service Attachés were imposed. I do not think that any discussion with the Polish Government would lead to any change in its decision. The fact that there are at present no Polish Service Attachés at all in Washington places us in a hopeless position. As I see it, we either acquiesce under some form of protest for the record or expose ourselves to even greater reductions through *personae non gratae* ultimata. I recommend reluctantly the former.[4]

Senior Military Attaché Dingley has been shown this message.

GALLMAN

[4] In his telegram 404, March 16, from Warsaw, not printed, Ambassador Gallman observed that in the light of prevailing conditions, the Embassy would not suffer too much from the staff reduction demanded by the Polish Government. Intimidation, surveillance, and the control of the movements of Embassy staff members had drastically reduced the scope and volume of work that could be done. Col. Nelson Dingley, 3d, Senior Military Attaché in Warsaw, concurred with the views of the Ambassador (120.32148/3-1650).

120.32148/3-2150 : Telegram

The Secretary of State to the Embassy in Poland

CONFIDENTIAL WASHINGTON, April 7, 1950—7 p. m.

169. Re Embtel 399 Mar 15 [1] and Desp 463 Mar 21.[2] If no objection, deliver fol *Aide-Mémoire* to Acting FonMin in reply his communication Mar 15.

[1] *Supra.*
[2] Not printed, but see footnote 3, *supra.*

(*Begin verbatim text*) Reference is made to the Fon Ministry's *Aide-Mémoire* of Mar 15 requesting reductions in the size of the staffs of the Emb's Army, Navy, and Air Attachés.

Re the internatl legal principle, asserted in the Min's communication, that the receiving state may, in the exercise of its sovereign rights, prescribe the number of dipl personnel which it will receive within its territory from another state and with reference to the Pol Gov's desire to apply to this question the principle of reciprocity, the views of the US Gov are as fols:

The Gov of the US knows of no rule of internatl law or practice under which the Pol Gov would be entitled to fix the number of dipl officials and other employees of the Amer Emb in Warsaw. According to well-established internatl usage, the receiving state generally refrains from actions designed to limit or fix the number of dipl personnel coming to it from another state. This widely-accepted practice, as the Ministry is aware, has hitherto governed the reception of Pol dipl personnel in the US and the reception of Amer dipl personnel in Pol. The US Gov is therefore surprised by the desire of the Pol Gov suddenly to depart from this well-established rule in the conduct of its dipl relations with the US.

Respecting the Min's demand for staff reductions at the Emb in Warsaw, it must be pointed out that the Pol Gov's request concerns numerous Amer dipl personnel previously accepted by Pol in accordance with existing internatl custom. Furthermore the withdrawal of such duly accepted personnel at the request of receiving state usually follows a declaration that they are *personae non gratae*. The Gov of the US, in fact, regards the Min's demand for staff reductions as tantamount to declaring a large number of the Emb's personnel *personae non gratae*.

In reviewing the status of the Service Attachés' staffs the Gov of the US was compelled to take into account the arbitrary attitude of the Pol Gov in this matter, and has now decided to reduce the regular staffs (Amer citizens) of the Emb's three Service Attachés to a total of four officers and eight other auxiliary personnel. (*End verbatim text*)[3]

For Emb's info, personnel allocations for Attaché staffs currently being determined by respective Service Depts here and will be promptly communicated to Emb. Dept understands allocations com-

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[3] In his telegram 494, April 8, from Warsaw, not printed, Ambassador Gallman reported that he had that day called on Acting Foreign Minister Wierblowski and handed him an *aide-mémoire* as instructed here. Gallman orally emphasized the American view set forth in the *aide-mémoire* that there was no international law or diplomatic practice in support of the Polish Government's arbitrary demand. After familiarizing himself with the communication, Wierblowski denied the contention that the Polish action constituted declaring Embassy staff members *personae non gratae* (124.483/4–850). In an *aide-mémoire* of May 9 to the Embassy in Poland, not printed, the Polish Foreign Ministry offered a formal, detailed legal argument in defense of its action in demanding a reduction of the military staff of the Embassy. A copy of the *aide-mémoire* was transmitted to the Department of State as an enclosure to despatch 729, May 10, from Warsaw, not printed (120.32148/5–1050).

prise total four officers and eight auxiliary military personnel, including two radio operators.[4]

ACHESON

[4] Telegram 509, April 13 and despatch 612, April 18, from Warsaw, neither printed, reported that the reduction of service personnel had been essentially accomplished by April 15 (120.32148/4–1350 and 120.32148/4–1850).

501/5–550 : Telegram

The Ambassador in Poland (Gallman) to the Secretary of State

CONFIDENTIAL WARSAW, May 5, 1950—8 p. m.

645. Embtel 406, March 17, 5 p. m.[1] Zebrowski [2] invited Lyon [3] to call at FonOff at noon today. Zebrowski told him he had been instructed to discuss the USIS Bulletin.[4] The Polish Government he said looked with disfavor on the "editorial policy" pursued by the USIS Bulletin. This matter had been brought to our attention on several occasions. Jankowsski had talked with Schwinn.[5] ForMin Modzelewski had talked with the Ambassador and Minister Grosz [6] had talked with Schwinn and various others. In spite of these talks, there has been no change in the policy of the USIS Bulletin. "You maintain that the Bulletin is under auspices of the American Embassy. We consider that the functions of the diplomatic missions are to maintain friendly relations between governments. Their very name implies this. We do not consider that the USIS Bulletin is contributing to this function but that it is abusing the hospitality of Poland."

At this point, Lyon said that he wished to have clarified what Zebrowski meant by "editorial policy" since Lyon continued he felt certain that Zebrowski realized that Bulletin consisted only of press stories from US, US Government statements speeches by US officials and like; that none of Bulletin was written in Poland, that no editorials of course were written here.

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[1] For text, see *Foreign Relations*, 1949, vol. v, p. 500.

[2] Tadeusz Zebrowski, Director of the Third Department (American-British) of the Polish Foreign Ministry.

[3] Cecil B. Lyon, Counselor of the Embassy in Poland.

[4] The Wireless Bulletin was the official news service of the Department of State. It was prepared by the Division of International Press and Publications and was transmitted daily by radio (wireless) to various foreign service posts around the world. The Wireless Bulletin contained full, official texts of pronouncements of the President, the Secretary of State, and the Department of State; reports on proceedings in the United Nations; editorial opinion from leading American newspapers; and other important information. English and foreign language editions were distributed in various cities, including Warsaw, by the United States Information Service.

[5] Walter K. Schwinn, First Secretary of the Embassy in Poland, December 1946–February 1949.

[6] Gen. Wiktor Grosz, Chief of the Press and Information Department, Polish Foreign Ministry until April 1950 when he became Polish Ambassador to Czechoslovakia.

Zebrowski said he appreciated this and by "editorial policy" he meant the selection of the items, that it seemed that the items which we selected were unfriendly to Poland, criticizing the Polish Government and Government of Poland's good ally Russia.

Lyon inquired as to whether Zebrowski could give him some specific examples. Zebrowski then mentioned the treatment in the USIS Bulletin of the plane incident.[7] He said that in this connection, we not only published our notes about plane incident but also statements of American press and officials which were "quite unrestrained." They were he said "extremely critical of our ally Russia." Also Zebrowski continued "Our treatment of the question of the ruble devaluation is a case in point. You referred to the resources which would be drained from the Eastern Bloc countries. That of course we know includes Poland. Then too, recently you published the statements of the Chilean President Gonzalez Videla, his views on the eastern countries and how they should be treated. We do not feel that the USIS Bulletin should serve as a mouthpiece for Gonzalez Videla. We feel that instead of being the source of information on US life it is usurping the prerogatives of a press service. It would be quite different thing if the Bulletin devoted itself to telling us of life in America."

Zebrowski then referred to an article which according to him had appeared in the Bulletin about a debate in the Social Council of ECOSOC which "dealt largely with the statements of a British Delegate and his remarks about Trotsky and the Soviet Union." "We feel that the Bulletin publishes too many articles about the UN." After all, Zebrowski said there is a UN office in Poland.

At this point, Lyon said he supposed Zebrowski was referring primarily to the political editorials of the USIS Bulletin. "I am referring to both the Polish and English editorials" Zebrowski replied.

Lyon then said that of course Zebrowski's remarks would be reported fully to me and to Department. Lyon also said referring to a remark of Zebrowski's that the Polish Government did not consider the Bulletin "representative of America" that the Bulletin represented one very important phase of America namely our belief in complete freedom of expression. We thought people were entitled to know every side of the picture. Lyon continued that he felt he would be lacking in his duty inasmuch as Zebrowski had talked so frankly about the USIS Bulletin, if he did not point out that every day Polish newspapers were "tearing the US to shreds"; "moreover he added only a few days ago in the May Day parade the US and President Truman in particular were maliciously attacked, vilified and ridiculed." Zebrowski said "if we wish to enter a discussion of freedom of the

[7] Presumably the reference here is to the disappearance of an unarmed U.S. naval aircraft over the Baltic following an attack by Soviet military aircraft; for documentation regarding the incident, see pp. 1140 ff.

press in one country or the other and the war mongering in the American press we too would have something to say about the press including the Polish and German press in the US but would be getting beyond the scope of this discussion."

Lyon then asked "you are not asking us to stop the publication of the Bulletin." To this, Zebrowski replied in the negative and said "no, we are requesting that its editorial policy be changed in such a way as not to attack the government to which you are accredited or its policies or the policies of its Allies, to refrain from usurping the prerogatives of a press agency and not to interfere with Polish internal policy or her foreign policy as an ally of Russia."

Lyon then referring to a previous statement of Zebrowski said "you envisage then that there would be a use for the Bulletin if it limited itself to being a source of information on US life." Zebrowski nodded his head then apparently thought better of it ("I not instructed to discuss at this point the future possibilities of a USIS Bulletin. I am instructed to say that it is our wish that the present unfriendly editorial policy of the Bulletin be changed and I can assure you that the next edition of the Bulletin will be studied most carefully.")

After assuring Zebrowski that his request would be given careful consideration, Lyon left.

Zebrowski was calm and pleasant throughout the interview and gave Lyon the impression of a man who having been given an unpleasant assignment to perform was doing it in the nicest way he knew how.

After forced reduction of our previously conspicuous service staffs, it was to be expected that next move would be against USIS the other highly vulnerable section of Embassy. Today's warning is no doubt only the first move of the campaign to emasculate if not finally to eliminate entirely the USIS work.

The warning it should be noted came from a Foreign Office Department head to the counselor. It need not therefore and should not in my opinion be treated by us with the importance of a warning from the Acting ForMin to me would. We should take advantage of that. I should prefer not to give it added significance by following it up with a call at the FonOff with further comments or with any written reply. Above all, we should, I feel avoid at this stage giving FonOff an opening to review work in general of USIS and opportunity to issue warnings on other phases of USIS activities and thus hem us in still more. I think we should proceed in this matter as in all phases of Embassy's work in a way best possible just as long as possible.

With these considerations in mind, we are taking special care in editing both the English and Polish language issues of the Bulletin; and unless instructed otherwise we shall limit contents to such items as statements of Government policy explanations of government policy

and news items on developments in the states. Editorial comment if used at all will be most carefully selected.

I should appreciate receiving Department's reaction comments and guidance as soon as possible.[8]

Sent Department 645, repeated London 32, pouched Praha, Bucharest, Budapest, Moscow.

GALLMAN

[8] In telegram 222, May 16, to Warsaw, not printed, the Department of State concurred in the action proposed here by Ambassador Gallman. The Department suggested that in view of the prevailing situation in Poland, particular care be taken to exclude press comment critical of Soviet policy. The Department did feel, however, that important official United States Government statements and releases, even though critical of Soviet and Polish policies, should continue to be carried by the Bulletin (501/5–1650).

611.48/5–2450 : Telegram

The Ambassador in Poland (Gallman) to the Secretary of State

SECRET

WARSAW, May 24, 1950—7 p. m.

721. Ambassador Winiewicz[1] called on me today at the Chancery. We had a rather long frank talk. As the Department knows, I have known him since the days when we were both in London.[2]

Very early in our talk we got on the subject of US-Polish relations. We agreed that relations between the US and Poland had changed considerably since our last talk in Warsaw about a year ago. Winiewicz observed that he had always hoped that Polish-American relations could at least in a measure be kept apart from the broader and ever-sharpening relations between Moscow and Washington. The trend, however, was discouraging and he saw no hope of any real improvement in Polish-American relations until there was a relaxation of tension between Moscow and Washington.

I said I agreed that in the last analysis the nature of official relations between the US and Poland depended on the status of relations between Moscow and Washington and the west in general. I wanted, however, to make some observations solely on US-Polish relations. Since I had seen him last in Warsaw about a year ago, it was true these relations had unfortunately deteriorated. Two matters immediately came to mind which during the past ten months or so had added considerably to the strain on these relations, the Hermann Field case[3] and the State Secrets Act.[4] Field disappeared in Poland last August.

[1] Jozef Winiewicz, Polish Ambassador to the United States, who was in Warsaw on consultation.

[2] Gallman served as Counselor of Embassy in London, 1944–1948; Winiewicz was Polish Counselor of Embassy in London, 1945–1947.

[3] For documentation on the Field case, see pp. 20 ff.

[4] October 26, 1949.

In spite of repeated inquiries we were still being told at the FonOff that no information about him could be given us. The State Secrets Act frightened Poles, even officials, from contact with us and placed visiting businessmen seeking ordinary economic information in danger. The Field case and the State Secrets Act frightened people from coming to Poland and made any kind of normal easy relationship between Americans living here and Poles practically impossible. I had always hoped that at least some economic contact between Poland and the US could be maintained but even that seemed out the question now. Furthermore, over the past twelve months, the highest Polish Government officials in their public statements had become steadily more violent in their attacks on the US and the same tendency applied to the Polish press. In spite of all this, I was nevertheless even today somewhat encouraged by two things: there still remains a large measure of good will among the people of Poland for the US, and Polish officials continue to receive and treat me in a courteous and even friendly way. This latter gave me grounds for hoping that relations between the Embassy and his government might at least be kept on a correct basis.

In reply Winiewicz first took up the Hermann Field case. He said that before leaving Washington, he had promised Thompson to try to get some information on Hermann Field. He had tried. He was very sorry he had not been able to get any information to pass on to us. Winiewicz then turned to the State Secrets Act. His comment, as was to be expected, was quite beside the point. The Polish Government, he said, was a "new and young government" and the present civil service "inexperienced". Discipline and guidance were necessary, and that, the State Secrets Act was designed to give.

As for Poles being frightened away from the Embassy, that was no different from what was happening to his Embassy in Washington. Americans calling on him were frequently stopped on leaving his Embassy and questioned on what they had been doing there. He then branched off on the wider field of international relations.

Russia and Poland, he said, were now engaged in a genuine peace campaign. It was unfair to call it a propaganda stunt. While striving for peace it was, however, most disturbing to keep reading the US press about how many divisions were needed, how many bombers, and how many new weapons. Why was that?

Here I reminded Winiewicz of how quickly we had disarmed after the fighting ended in 1945 and that even today we continued opposing rearming Western Germany. That certainly was willing proof that we had no aggressive designs. Russia on the other hand had as large a military force today as in 1945, if not larger. Russia had repeatedly blocked efforts in the United Nations toward establishing stabler conditions in the world. Russian conduct during the long drawn

out talks on the Austrian treaty was typical. It was that state of affairs that was causing deep concern in the west and what was being done by the US and the west was building up of strength to meet that situation and not preparation to launch war.

If only something would develop, Winiewicz then said, that would relieve international tension even a little, perhaps then the world trend could be arrested and, slowly reversed. Something might in time come from Trygve Lie's recent talks in Moscow.[5] He sincerely hoped so.

We parted agreeing that patience and calmness were called for until international tensions had relaxed and there was again hope that something could be done to improve relations between Poland and the US.[6]

Department pass Moscow; sent Department 721, repeated information Moscow 38.

GALLMAN

[5] United Nations Secretary-General Trygve Lie visited the Soviet Union in mid-May 1950 to discuss with Soviet leaders his "Twenty Year Program for Achieving Peace Through the United Nations." Documentation on the United States attitude toward the Lie plan is printed in vol. II, pp. 371 ff.

[6] In early June 1950 Ambassador Gallman submitted his resignation in order to return to Washington and take up an assignment as Deputy for Foreign Affairs at the National War College. President Truman accepted Ambassador Gallman's resignation on July 3, and on August 16 it was announced that the President had appointed Joseph Flack, then serving as Ambassador in Costa Rica, to succeed Gallman. Flack arrived in Warsaw in late November 1950 and presented his credentials on November 30 to the Polish President.

948.536/9-1350

Memorandum of Conversation, by the Acting Secretary of State

CONFIDENTIAL [WASHINGTON,] September 13, 1950.

Participants: The Polish Ambassador, Mr. Jozef Winiewicz
The Acting Secretary
Mr. Vedeler, EE [1]

The Polish Ambassador called at his request to protest against the treatment of the *M.S. Batory* while in the port of New York during the past year.[2] He gave the appearance of proceeding in a half-apologetic manner, introducing his complaint with the remark that he

[1] Harold C. Vedeler, Officer in Charge of Polish, Baltic, and Czechoslovak Affairs, Office of Eastern European Affairs, Department of State.

[2] In a briefing memorandum of September 13 for Acting Secretary of State Webb in preparation for this conversation with Ambassador Winiewicz, not printed, Acting Deputy Assistant Secretary of State for European Affairs James C. H. Bonbright pointed out that a number of protests had been lodged with the Department of State by the Polish Embassy during the past year against restrictions and control measures applied by American authorities to Soviet and satellite merchant ships, including the Polish passenger-cargo liner *Batory*.

was obliged to take my time to ask for relief from the unfair discriminatory restrictions to which the *Batory* had been subject over a long period.

He stated that he was filing this protest on instruction by his Government. He recounted the various restrictions and control measures applied to the *Batory* since the escape of Gerhardt Eisler in May 1949,[3] stressing particularly that the Coast Guard had recently held up the vessel for six hours for inspection. Such restrictions were impeding the normal operations of the vessel and were imposing indignities on his country. It seemed quite unfair that members of the crew could not go ashore and visitors were not permitted aboard the ship.

Ambassador Winiewicz claimed that these restrictions had served as a preparation for and encouragement of the recent action of the longshoremen in refusing to unload the cargo of the *Batory* when it arrived in New York on September 7.[4] It had been impossible, moreover, for the ship to take on any goods when it sailed, even medical supplies provided for Poland by the United Nations International Children's Emergency Fund. It had not been possible, for example, to load supplies of streptomycin on the *Batory*.

The Ambassador deplored this state of affairs in view of the record and character of the *Batory*. He said that it was the only Polish passenger liner on the seas and that it had served as a link between the United States and Poland for 15 years. Although it plied between Gdynia and New York, it stopped at Copenhagen and South Wales, and 90% of its passengers were not from Poland but from foreign countries. It also carried goods from Western European countries, such as Danish hams and shipments from England, on the last voyage. The ship had a hand-picked crew and the best master Poland could find; and it was well known for its excellent accommodations and service.

The measures included the surrounding of vessels with guards, the refusal to grant shore leave to members of ship crews, the refusal to allow ship officers ashore except under escort, the stringent interrogation of passengers, and the interrogation of officers and crews on political subjects (948.53/9–1350). During a conversation with Attorney General J. Howard McGrath and some of his advisers on April 6, Under Secretary Webb had suggested a relaxation of the control measures imposed upon the *Batory;* see the memorandum of conversation by Joyce, April 6, p. 292.

[3] Gerhardt Eisler, apparently an important representative of the Communist International and Communist Party of the Soviet Union, was involved in the American Communist movement in the 1930's and 1940's. In May 1949, while free on bail following conviction for contempt of Congress, Eisler was smuggled aboard the *Batory* and fled the United States. He subsequently served as a functionary in the East German Communist regime.

[4] In mid-August 1950, east coast members of the International Longshoremen's Association (ILA) in New York began to refuse to handle cargo of Soviet and East European origin. On September 6 the Atlantic District Council of the ILA adopted a resolution formally adopting a boycott of Soviet and satellite cargos except those goods essential to the defense of the United States.

Ambassador Winiewicz stated that the Polish Government therefore felt these restrictions all the more keenly and could only regard them as constituting discriminatory treatment. He declared that if these practices continued the Polish Government would be obliged to take appropriate measures. It was for this reason, he added, that it had been necessary to take my time.

I replied by discussing first the action of the longshoremen. I called attention to the fact that a private oranization, the International Longshoremen's Association, was involved and that it had acted on its own initiative independently of this Government in initiating the boycott. As a private organization, the Longshoremen's Association was of course not subject to the control or order of American authorities, but representatives of this Government were endeavoring to do something about the matter. I said I had talked with Secretary Tobin, who assured me that efforts were being made to improve the situation. The statement of the President made at a press conference about two weeks ago also revealed the attitude of the United States Government in wishing to see the issue settled.[5]

As to the reported restrictions applied to the *Batory* over the past year, I pointed out the security consideration involved and the fact that these measures were carried out under the jurisdiction of another department of the Government. I recalled to the Ambassador that I had taken some action last February to alleviate the effect of the restrictions. As a result of my consideration of the matter with the Department of Justice, some relief had been obtained, and the master and purser of the *Batory* were permitted to go ashore without escort.

The Ambassador demurred that this went very far in dealing with the problem, saying that there was solidarity among the crew and the master of the vessel did not consequently wish to avail himself of this privilege denied the others except in the case of absolute necessity.

I then indicated that we would take up the matter of these various restrictions and see whether something might be done.[6]

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[5] In a response to a question asked at his news conference on August 31, 1950, President Truman indicated his opposition to the refusal of longshoremen to unload Soviet and satellite ships, and he asserted that foreign policy was not made by any longshoremen's union. For the text of the response, see *Public Papers of the Presidents of the United States: Harry S. Truman, 1950* (Washington, 1965), p. 606.

[6] Acting Secretary of State Webb discussed the problem with Attorney General J. Howard McGrath on September 15 and 27, and he expressed the view that the *Batory* was being unnecessarily harassed. The Attorney General undertook to discuss the matter with appropriate officials. On October 20 a Polish Embassy representative called at the Department of State to protest that the treatment by American authorities of the *Batory* when it arrived in New York on October 8 had been more severe than any previous occasion. In a letter of October 31 to Attorney General McGrath, not printed, Under Secretary of State Webb reviewed the general subject of restrictions applied to the *Batory* and the most recent Polish Embassy protest. In an effort to deal with the situation, Webb suggested that *Batory* crew members be allowed shore leave while in New York (411.4812/10–3150). In a reply received February 1, 1951, not printed, Deputy Attorney General Peyton Ford reviewed procedures followed by American immigration and customs officials and found that no unusual or unnecessary measures were taken with the arrival of the *Batory* on October 8, 1950 (411.4812/2–151).

The Ambassador concluded with the statement that he lodged this protest asking for my personal intervention to end these discriminatory practices against the Polish flag, which his Government could no longer tolerate. He left after a brief visit in which he obviously endeavored to complete his business as speedily as possible.

JAMES E. WEBB

Secretary's Memoranda: Lot 53 D 444: Memoranda of Conversation with the President[1]

Memorandum by the Acting Secretary of State of a Meeting With the President, Thursday, September 14, 1950[2]

CONFIDENTIAL [WASHINGTON,] September 14, 1950.

PROTEST BY RUSSIANS AND POLES ON UNLOADING OF "BATORY"

I informed the President of the implied threat to interrupt supplies to our Embassy in Moscow which appears to be arising out of our handling of the *Batory*.[3] The President expressed his thorough dissatisfaction with the action of the longshoremen and indicated he saw no real point to the harassment of the *Batory* as practiced by our Immigration and Justice officials. He authorized me to discuss this matter with the Attorney General to see if we could not work out some improvement.[4]

JAMES E. WEBB

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[1] Lot 53 D 444 is a comprehensive chronological collection of the Secretary of State's memoranda and memoranda of conversation for the years 1947–1953, as maintained by the Executive Secretariat of the Department of State.

[2] The Secretary of State (or in his absence, the Acting Secretary) met with the President several times each week to discuss important foreign policy problems. This memorandum covers one of several topics taken up on September 14.

[3] Vladimir Ivanovich Bazykin, Counselor of the Soviet Embassy in Washington, called at the Department of State on September 13 to complain that the Polish liner *Batory*, during its most recent visit to New York, had not been permitted to unload 24 cases addressed to the Soviet Embassy. Bazykin referred to the "noninterference" by Soviet authorities with shipments destined for the American Embassy in Moscow, and he stated that the Soviet Embassy insisted that the Department of State take steps to ensure that in the future all official shipments addressed to the Embassy in Washington would not be interfered with (memorandum of conversation by Reinhardt, September 13, 1950: 601.6111/9–1350).

[4] Regarding the Acting Secretary's meetings with Attorney General McGrath, see footnote 6, *supra*.

611.48/11-2750

Department of State Policy Statement[1]

SECRET [WASHINGTON,] November 27, 1950.

POLAND

A. OBJECTIVES

The long-range objective of US policy toward Poland is its liberation from Soviet-Communist control and the establishment of conditions of peace and international security permitting the Polish people an independent national existence, so that they may freely create a genuinely democratic state, order their internal affairs and determine relations with other states without fear of external interference. An immediate aim is to keep the Polish people aware of US policy and strength, as well as our continuing concern for their welfare and future in order that the spirit of the non-Communist masses may be sustained under the present oppressive burdens of the police state. Recognizing the importance of having observers on the ground at this critical time, we seek to maintain a diplomatic mission in Poland in spite of increasing harassments unless the regime makes it intolerable from every standpoint to remain.

It is the purpose of our economic policy, in cooperation with the states of western Europe, wherever feasible to prevent the Polish economy from contributing to Soviet military potential, although allowing at the same time for a certain amount of trade development between Poland and western Europe on a selective basis calculated to benefit the economy of the ERP countries.

B. POLICIES

Poland at present is effectively controlled by the USSR through the United Polish Workers' Party (PZPR), the presence of Soviet troops on Polish soil and the appointment of Soviet agents headed by Marshal Konstantin K. Rokossovsky, to key positions in the Government, Party, and armed forces.[2] Poland is becoming progressively incorporated as a *de facto* component into the Soviet empire and Warsaw is being gradually converted from the capital of a sovereign state to

[1] Department of State Policy Statements were concise documents summarizing the current United States policy toward a country or region, the relations of that country or region with other countries, and the issues and trends in that country or region. The Statements provided information and guidance for officers in missions abroad. The Statements were generally prepared by *ad hoc* working groups in the responsible geographic offices of the Department of State and were referred to appropriate diplomatic posts abroad for comment and criticism. The Statements were periodically revised.

[2] Konstantin Konstantinovich Rokossovskiy, Marshal of the Soviet Union; from November 1949, Marshal of Poland, Polish Minister of National Defense, and member of the Central Committee of the Polish United Workers' Party.

a pro-consular, administrative center. Our policy toward Poland is therefore viewed more and more as an aspect of US relations with the Soviet bloc as a whole.

The majority of Poles are anti-Communist, fearful of the USSR and friendly toward the US. Most of them hope for ultimate US intervention to help Poland regain independence. Numerous elements would require but little encouragement to take rash action against the regime. We are contantly endeavoring, by whatever means practicable, to demonstrate our sympathy for the Polish people and at the same time to register the disapproval of the free world for the methods and practices of the Soviet-dominated police regime. Efforts are made to help strengthen hope and to keep alive the spirit of independence and devotion to freedom but to avoid at this time stimulating overt resistance, which would be costly and futile.

We attempt to encourage nationalist opposition to Soviet domination, and, if possible, disaffection toward Moscow even within the Polish Government itself. There is evidence of such disaffection not only among the Socialists, whose long-established party was forcibly absorbed by the Communists in 1948, but also within the Communist leadership and ranks, where a sizable element distrusts Soviet tutelage.

We consider that one of the strongest remaining forces opposed to Sovietization is the Roman Catholic Church, which embraces 95 percent of the 24 million Poles. To date the Government has harried the clergy unremittingly by means of an adroit propaganda impugning their patriotism and political attitude, but has postponed a frontal attack on the church. Meanwhile the hierarchy, forced onto the defensive, is pursuing a circumspect course to preserve the existing privileges of religion, particularly in the education of youth. To this end, on April 14, 1950, it signed for tactical reasons a compromise with the Government, promising nominal support of the program of national reconstruction and opposition to "anti-State" activities. The result was a slight easing for the time being of state pressure against the church. The many-sided struggle for the allegiance of youth goes forward, however, and if Soviet domination of Poland is prolonged there may be real danger that the younger generation's understanding of and spiritual ties with the West, traditionally perpetuated in large measure by the church, will be destroyed. Although Embassy contacts with the Polish clergy have been reduced to a minimum, our policy is to assist the efforts of the church in whatever way feasible to maintain opposition to Communism.

The influence of Polish émigrés on political attitudes in the homeland, which declined with the end of the war, has been still further reduced as a result of disagreements among the exiled leaders. Polish émigrés are presently split into the following principal groups: (1) the "London Government"; (2) the Polish Political Council, formed

in London on December 4, 1949; and (3) the Polish National Democratic Committee, formed by Mikolajczyk in Washington on May 2, 1950.[3] The two latter groups, like the National Committees generally, work in close relationship with the National Committee for a Free Europe. We look with favor upon any efforts of the three groups to unite; not, however, as a government in exile, but rather as a representative center of Polish thought and action abroad, capable of encouraging democratic resistance in Poland and otherwise carrying on the struggle from abroad to restore freedom and independence in the homeland.

An important part of US policy is the attempt to counteract in the broad sense the constant and violent anti-US propaganda to which their government-monopolized press, radio, and film exposes the Poles. Perhaps our best means is the Voice of America, which has a large Polish audience. Supplementing this is our Polish language Wireless Bulletin, which, though limited in circulation, is sufficiently effective to provoke the Polish Government to recurrent criticism and interference in its distribution.[4] Our policy through these media is to make available to the Poles information about important world developments so as to offset the distortion and exclusion of such news by their own Government; and, by treatment of the actual situation within Poland, to let the Polish people know the consequences of developments there and our interest in and concern for their hardships under Soviet domination.

A special problem in our relations with both the present regime and the Polish people arises from US policy toward Germany. Poland's deep-seated fear of Germany, due to past German aggressions and the recent war-time occupation, makes Poles tend to fear that the US, in its preoccupation with Soviet aggressiveness, may permit the reemergence of a militaristic and eastward-expanding Germany at whose hands Poland would be first to suffer. Communist propaganda incessantly and skillfully exploits this fear.

The problem is particularly complicated by the Polish-German frontier question. The US agreed at Yalta to support a revision of Germany's eastern frontiers in favor of Poland,[5] and in the Potsdam Agreement we consented to the provisional establishment of the Oder-Neisse Line, placing a large part of eastern Germany under Polish administration and providing for the orderly transfer of its German inhabitants, pending final delimitation of the border at the peace settle-

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[3] Regarding the Polish *émigré* groups under reference here, see the memorandum of conversation by Salter, May 5, p. 347.

[4] Regarding Polish Government criticism of the distribution of Wireless Bulletin items in Poland, see telegram 645, May 5, from Warsaw, p. 1031.

[5] Tripartite agreements regarding Poland were included in Part VI of the Report of the Crimea Conference, February 11, 1945, *Foreign Relations*, 1945, The Conferences at Malta and Yalta, pp. 973–974.

ment.[6] Subsequently, however, we have emphasized our view of the tentative character of this arrangement. The US view was put forward by Secretary Byrnes at Stuttgart in 1946 [7] and was reaffirmed and further clarified by Secretary Marshall's statement, during the 1947 meeting of the Council of Foreign Ministers in Moscow, that the needs of both the Polish and the German people and of Europe as a whole should be taken into consideration in finally establishing the boundary.[8]

This US position disturbs the Poles, since almost all of them, irrespective of politics, strongly favor the permanent annexation of the former German territories up to the Oder-Neisse Line. The same view is held by the majority of the Polish emigrés and several million Americans of Polish descent. Among the major powers, the USSR alone supports the Polish position on this question; but the suspicion is widespread within Poland that the Kremlin would not hesitate to shift the border in Germany's favor if this would further Soviet aims in Germany. For the time being, however, Communist propaganda in Poland is exploiting to the utmost the ostensibly definitive Soviet guarantee of Poland's "Recovered Territories", which was reaffirmed on July 6, 1950, through an agreement between Poland and the Soviet-controlled government of eastern Germany, purporting to "finalize" the Oder-Neisse Line as the permanent frontier between the two states.[9] The regime also, of course, takes every propaganda advantage of US policy on this question.

The Polish Government exercises almost exclusive control over the economy of Poland which is steadily being shaped on the Soviet model to serve the long-range objectives developed by the Kremlin for the Soviet-satellite area.

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[6] Tripartite agreements regarding Poland were included in Part IX of the Report of the Conference of Berlin, August 2, 1945, *Foreign Relations*, 1945, The Conference of Berlin (Potsdam), vol. II, pp. 1508–1509.

[7] For the text of the address by Secretary of State James F. Byrnes on United States policy regarding Germany under reference here, made in Stuttgart, September 6, 1946, see *A Decade of American Foreign Policy: Basic Documents, 1941–49* (S. Doc. 123, 81st Cong., 1st sess.), p. 522 or *Germany 1947–49: The Story in Documents* (Department of State Publication 3556), p. 3.

[8] For the text of the statement by Secretary of State George C. Marshall on the Polish-German frontier, made at a Council of Foreign Ministers meeting in Moscow, April 9, 1947, see *A Decade of American Foreign Policy*, p. 346 or *Germany 1947–49*, p. 146.

[9] On June 7, 1950, following discussions in Warsaw, Polish and East German representatives announced a declaration confirming the Oder-Neisse line as the definitive frontier between the two countries. The declaration was implemented by an agreement signed by Polish and East German representatives at Zgorzelec (Görlitz), Poland, on July 6, 1950. For the text of the agreement, see 319 United Nations Treaty Series 104–109 or *Documents on Germany, 1944–1970* (Committee on Foreign Relations, United States Senate, 92d Cong., 1st sess.), p. 179. On June 8, 1950, a Department of State spokesman informed the press that the United States did not recognize the Polish-East German agreement and pointed out that Germany's eastern boundary could be finally determined only when a peace treaty was drawn up (Department of State Wireless Bulletin No. 134, June 8, 1950, p. 3). For additional documentation on the attitude of the United States with respect to the Polish-East German boundary agreement, see pp. 942 ff.

In these circumstances our economic policy toward Poland is designed to support major US foreign policy objectives in Europe, particularly the limitation of eastern Europe's war potential and the recovery and development of the economics of western Europe. Thus in applying to Poland the export controls introduced in March 1948, our objectives are to prevent the export of goods to Poland that would markedly strengthen Polish or Soviet military potential, and at the same time to assure the supplies of commodities required by ERP countries. It is borne in mind that Poland is an important producer of coal and essential foodstuffs, and its exports of these products are economically beneficial to countries of western Europe. We therefore favor the expansion of trade between Poland and western Europe on a selective basis but seek the voluntary agreement of western European countries, for security reasons, to maintain export restrictions similar to ours. This facet of our economic policy towards Poland reflects our basic policy on east-west trade, under which the United States favors expansion of this trade insofar as it serves to improve the relative economic advantages of western Europe over countries in the Soviet bloc.[10]

Since the lifting of controls on the export of technology shortly after the war, there have been no restrictions by the United States on the export of technical data, other than information classified by the US Government, to Poland or elsewhere. While the Department of Commerce has established a voluntary procedure by which exporters can obtain an opinion of that Department on the desirability of exporting information, such voluntary controls have limited value, and consideration is currently being given to mandatory controls on the more important types of data. The objective of the United States is to prevent the acquisition by Poland or other Soviet-dominated areas of technical data which would increase their war potential.

In 1942 and again in 1946, we sought and received assurances from the Polish Government that it would not adopt measures prejudicial to the objectives of the proposed Charter for an International Trade Organization. Since then, Polish representatives have attended the United Nations Conferences on Trade and Employment at Geneva as observers and at Havana as delegates; however, Poland did not sign the Havana Charter for an ITO. Moreover, Poland's recent actions in withdrawing from the International Bank for Reconstruction and Development, the International Monetary Fund and the Food and Agricultural Organization, charging that these organizations were instruments of US policy, indicate that Poland is slavishly following

[10] For documentation on United States policy with respect to trade with Eastern Europe and the Soviet Union, see pp. 65 ff.

the Soviet Union in its hostile attitude toward international agencies which are not considered to serve Soviet purposes.[11]

Poland's foreign trade is conducted almost entirely within the framework of bilateral quota and clearing agreements, which appear to discriminate in favor of eastern Europe. There is little likelihood that Poland will abandon this policy, particularly in view of the growing integration of the Polish economy with that of the Soviet bloc. While present indications are that Poland does intend to maintain commercial relations with the west, it appears certain that only those relations will be fostered which promote the attainment of self-sufficiency in the Soviet bloc and increase its military-economic potential.

The 1931 Treaty of Friendship, Commerce and Consular Rights between Poland and the US [12] provides for, among other things, most favored nation treatment with respect to imports from and exports to both nations. In connection with restriction of exports from the US under our March 1948 export regulations, Poland has charged the US with trade discrimination in violation of the principles of the UN Charter but violation of the 1931 Treaty has not yet been charged. The question of abrogating this treaty, which may be terminated upon six months' notice, is being studied.

We continue to seek a solution of the problem of reaching a settlement with Poland on the issue of compensation to US nationals for the loss of their property through nationalization. However, obtaining settlements on this issue must be considered secondary to our major political and economic objectives, such as national security and east-west trade under ERP. We therefore cannot yield to the Polish view that the settlement of this question depends upon favorable US action on export licenses and financial assistance.

We have not ceased to press for settlement of the Polish lend-lease account on the basis we have proposed—payment by the Polish Government of 125 million zlotys for use by the US mission in Poland in final discharge of Polish financial obligations under the Lend-Lease Agreement.[13] Our proposal also provides for the retention of US title

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[11] Poland announced its withdrawal from the International Bank for Reconstruction and Development and from the International Monetary Fund on March 14, 1950, from the Food and Agriculture Organization on April 25, 1950, and from the World Health Organization on August 15, 1950. In statements issued to the press on March 16 and April 27, 1950 (Department of State *Bulletin*, March 27, 1950, p. 497 and May 15, 1950, p. 777), the Department of State refuted Polish accusations against the IBRD, the IMF, and FAO and concluded that Polish withdrawal from those institutions was an example of Poland's adherence to the Soviet policy of restricting contacts by Eastern European satellites with the rest of the world.

[12] Signed in Washington, June 15, 1931; Department of State Treaty Series No. 862, or 48 Stat. 1507.

[13] The United States proposal, renewed in a note of March 13, 1950, from the Secretary of State to the Polish Ambassador, not printed, proposed payment of $110,000 only for post V–J Day (September 2, 1945) lend-lease aid out of a total of $12.5 million worth of lend-lease assistance rendered to Poland by the United States (748.56/3–1350).

500–421—80——67

to lend-lease arms and implements of war and for a mutual waiver of maritime claims arising since the outbreak of the war. The Polish Government has demanded certain export licenses as a condition for concluding a lend-lease settlement which, as in the case of the nationalization agreement, we do not find acceptable as a basis for negotiations.

Polish merchant vessels are government-owned and, therefore, under present US policies receive sovereign immunity in US ports, an advantage not accorded to privately-owned merchant vessels of other nations. The Department has for several years been studying the possibilities of denying such immunity to state-owned merchant vessels engaged in regular commercial traffic but a decision has not yet been reached.

Our civil aviation policy with respect to the USSR and its satellites is (1) to prevent the sale of aircraft and associated equipment to these countries and (2) within certain limits to contain the civil air operations of the USSR and its satellites. An exchange of civil air services with a satellite state, on a reciprocal and short-term basis, would be sought by US and friendly states only if it can be clearly determined that a fully realizable balance of advantages would result. Only such minimum facilities would be agreed to as were necessary for satellite operations outside their territories, or to secure adequate facilities for non-satellite air services in satellite territories. This policy is being implemented through the cooperation of other friendly states on a "common front" basis.[14]

We regard Poland as a member of ICAO as a result of the ratification of the Chicago Convention [15] by the Polish Government in exile in London. The present Polish Government, however, has not participated in any of the plenary sessions of ICAO and is delinquent in its dues. We have rejected offers of the present Polish Government to become a member of ICAO since in the view of both the US and ICAO Poland is already a member.

Communist ideology continues to have strong appeal to Polish labor. It is the policy of the US to dispel the myth of the unique advantages to labor under the Soviet system by bringing the facts to light, especially as regards forced labor, lack of trade union rights and personal freedom, and comparatively low wages, long hours and other burdens of workers under Soviet domination.

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[14] For documentation on United States civil aviation policy toward Eastern Europe and the Soviet Union, see pp. 1 ff.

[15] The International Civil Aviation Organization (ICAO) was established under the Convention on International Civil Aviation concluded in Chicago on December 7, 1944, and came into being in April 1947.

C. RELATIONS WITH OTHER STATES

The USSR regards Poland as a critical security area and stations a large Red Army garrison there. Its purpose ostensibly is to safeguard lines of communication with Germany, but Soviet forces have also been used to help the Polish security forces eradicate underground resistance groups. Moscow has recently intervened to improve the political reliability of the Polish armed forces and to extend Soviet control over the regime by sending Soviet Marshal Rokossovsky to Warsaw as Minister of Defense in the Polish Government and as a member of the Politburo in the Communist Party. Under his direction the Communist program of purging and indoctrinating the officer corps has been reinvigorated, and all but one or two of the few remaining top staff and command positions have been taken out of Polish hands and filled with Soviet officers. Rokossovsky's assumption of these various duties has been accompanied by an acceleration of the purge of nationalist elements from the Communist Party leadership and an intensified drive to nationalize small industries and collectivize farms.

In the economic sphere Moscow is transforming Poland into an industrial workshop equipped to serve long-range Soviet policy in the satellite region as a whole. A principal purpose of the Soviet-inspired six-year plan is thus to bring about the rapid industrialization of Poland in the interests of integrating Polish production with Soviet designs in Europe. A Soviet loan to Poland of $450,000,000 in 1948, supplemented by another one of $100,000,000 pledged in June 1950, provides for the supplying of a large steel mill and other industrial equipment to Poland by the USSR. There is a steady increase in the proportion of Poland's foreign trade that goes to the USSR and the Soviet satellite area.

Poland is integrated politically with the other states of the Soviet orbit in eastern Europe (excepting Albania) by a network of mutual aid pacts, reinforced by agreements for cultural and economic collaboration. Poland's closest satellite ties have developed with Czechoslovakia, since the communization of that country following the coup of February 1948. Under Soviet prompting, the Warsaw and Prague regimes have shelved the traditional territorial dispute over Teschen and have initiated far-reaching plans for economic collaboration, including joint development of some industrial projects in the Silesian area, and Czechoslovak use of the Oder River and port of Stettin. Agreements concluded in June 1950 by both Poland and Czechoslovakia with the Soviet-sponsored Government of Eastern Germany appear to indicate a Kremlin purpose to link the German satellite, as well, with the two western Slav states in a closer economic working unit within the larger satellite bloc.

With respect to Yugoslavia, the Polish Government has identified itself with the Cominform campaign against Tito and has denounced its mutual assistance and trade pacts with Tito's Government. Both Governments withdrew their Ambassadors in June, 1950. Conversely, Poland has fostered closer economic relations with Albania and is making a substantial economic contribution to the latter satellite.

Ties with the Vatican, for Catholic Poland traditionally close, were formally broken by the Communist regime in September 1945, through denunciation of the Concordat of 1925. There appears at present to be little basis on which a compromise with the Holy See could be reached. The Government meanwhile has developed a propaganda campaign vilifying the Vatican in an effort to weaken the Church in Poland by discrediting its connections with international Catholicism. Particularly since the Pope's letter to the German bishops in March 1948, the Warsaw regime has bent every effort to convince the Polish people that the Papacy is pro-German.

British relations with Poland, like those of the US, are determined in large part by UK policy toward the USSR. Like our own, the official British view of the Communist regime in Warsaw and of the tactics it has employed to liquidate political opposition has been forcefully expressed on several occasions to the Soviet Government as the third signatory of the Yalta and Potsdam Agreements, as well as to the Polish Government. In the economic field, however, the UK has offered Poland minor credits and facilities in placing Polish orders for capital goods in the UK, and in January 1949 it concluded a five year trade agreement with Poland calling for an annual exchange of goods valued at about $130,000,000.

Poland's relations with France have steadily deteriorated from an initially friendly status at the end of the war. The proximity of both countries to Germany, and their similar sufferings under German occupation in World War II, encouraged the re-establishment of normal relations based on a certain identity of views regarding the future of the German state. However, following the elimination of the Communists from the French Government, the participation of France in the ERP, and its decisions regarding Western Germany, relations between Warsaw and Paris worsened. Poland's request for a treaty of alliance was met by French insistence upon a proviso that mutual assistance under the treaty should become operative only after consultation with the three great powers. The Poles did not wish to subject the pact to prior US and UK approval, and the matter ended in a stalemate. Meanwhile, since 1948, Polish propaganda has increasingly treated France as a satellite of "imperialist" America; and French diplomatic representatives in Poland have borne the initial brunt of the Warsaw regime's drive against alleged western espionage.

As a result of exacerbated political relations, Franco-Polish cultural cooperation, traditionally considerable, has dwindled to insignificance. Negotiations for a renewal of the annual trade agreement between France and Poland were broken off in January 1950, but were resumed in August. The absence of an agreement during the first eight months of the year, however, resulted in a severe decline in trade between the two countries.

Germany is increasingly a focal point of Polish foreign policy. US, British and French policies in Germany are vigorously attacked as fostering German revisionism and reconstructing German military power. At the same time, relations with the Soviet occupied zone of Germany are expanding rapidly under Moscow's pressure. The signature (June 1950) of an agreement to fix the frontier permanently at the Oder-Neisse Line has been accompanied by pacts expanding Polish trade with eastern Germany and providing for cultural and technical collaboration.

Poland has been active in UN affairs. On political issues its delegates have almost invariably voted with those of the USSR. Poland has taken the lead for the eastern European bloc in introducing the Spanish question into UN discussions and in pressing for measures hostile to the Franco regime. It has also expressed special concern in the UN about the problem of Germany. Poland is a member of the UN Special Committee on the Balkans but, like the USSR, has refused to occupy its seat. The Poles maintain a permanent resident delegation to the Economic Commission for Europe (ECE) in Geneva. Up to 1949 their ECE representatives, though consistently voting with the USSR and following the Soviet lead in debate, showed a less uncompromising approach than the Soviet representatives and an apparent desire to use the ECE as one means of maintaining economic contacts with the west. These tendencies appear to be diminishing with the gradual replacement of technicians by orthodox Communists on the Polish ECE delegation. During the 1950 meeting, the Polish delegate was even more aggressive than the Soviet delegate in attacking US economic programs in western Europe and western European export control policies.[16] In recent months Poland has withdrawn from the World Bank, the International Monetary Fund, the UN Food and Agriculture Organization, and the World Health Organization, charging that these agencies were dominated by the US and had discriminated against Poland. As was to be expected from a component of the Soviet empire, Poland supported without reservation the position of the USSR on the question of Chinese representation, and its delegates withdrew on this issue from the various meetings of UN organizations in which it was represented.

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[16] For a report on the 1950 meetings of the Economic Commission for Europe, see telegram 709, June 9, from Geneva, p. 143.

D. POLICY EVALUATION

US policy toward Poland, since it is an integral part of our long-range policy directed against Soviet-Communist imperialism, can hardly hope to achieve conspicuous success during the present stage of unhampered Soviet dominance in eastern Europe. Our main hope for the time being will probably have to be based, as hitherto, on the conservation to the greatest possible degree of American and western ties with the Polish people, and on supporting by all feasible means their will to be free. The strong stand of the US and the UN in the Korean crisis appears to have contributed to this end.

Our diplomatic mission in Warsaw is an important factor in encouraging the Polish people, disseminating information about the US and gathering vital intelligence. These functions have been rendered increasingly difficult since 1949 by a marked accentuation of secret police surveillance, particularly affecting the office of our Military Attaché, and by police intimidation of Embassy patrons and USIS visitors, which has restricted our contacts with Poles. Nevertheless, it is highly desirable that we avoid any situation that would necessitate the withdrawal of our mission at a time when every endeavor should be made to keep observers in this important area as long as possible. A voluntary reduction of the staff has been undertaken during 1950, of such dimensions as not to eliminate its most important functions, primarily with the aim of forestalling what appeared to be the intention of the Polish Government to force us to cut staff below the limits of efficiency.[17] It is recognized, of course, that no matter what pains we take to avoid any action which might lead to a closing of the Embassy, a decision on the maintenance of diplomatic relations is essentially not ours to make. It is clear that the Communists are determined to attentuate diplomatic relations to a minimum, and with the progressive *de facto* absorption of Poland into the Soviet empire our Embassy in Warsaw and the Polish Embassy here increasingly tend to become little more than consular establishments. The possibility exists that our mission may eventually be forced out completely. In that case reliance for information on Polish affairs would be chiefly placed on peripheral reporting, and arrangements to cover the satellite areas by this means are now being made.

Our information activities in Poland are encountering growing opposition from the Government, which is some indication of their

[17] In the course of his press conference on June 7, 1950, Secretary of State Acheson stated that the United States had ordered a reduction of one-third in the American diplomatic staff in Poland. The Secretary explained that the reduction was not made as a result of any demand by the Polish Government but was carried out by the United States after a careful review of the whole situation and the determination that the staff could not perform effectively its functions and that a reduction was in order (memorandum of the Secretary of State's Press and Radio News Conference, June 7, 1950: News Division Files).

effectiveness. It is evident that the Polish Government regards USIS in Warsaw as one of the most undesirable sections of the Embassy and it is to be anticipated that increased efforts will be made by that Government further to restrict, if not to terminate altogether, the operations of our Information Service in Poland. In the latter event, serious attention should be given to appropriate reprisals, which, however, should be taken only as a last resort in view of the importance to US objectives of the principle of freedom of information. The termination of the USIS in Poland would leave us with the Voice of America as our only useful direct medium of contact with the Polish people. There is danger that even this contact may be partly jeopardized, since attempts at jamming our Polish language broadcasts have already begun. Nevertheless, it appears certain that a large proportion of our broadcasts will continue to reach Polish listeners, and it is therefore essential that the Voice of America be made ready now to serve in an increasingly vital capacity, by expanding the Polish language services. As a supplemental medium, Radio Free Europe, with the assistance of the National Committee for a Free Europe,[18] has inaugurated Polish broadcasts which it is hoped will be effective, hard-hitting programs utilizing certain types of material not permissible to the Voice of America.

In the economic sphere our policy has produced results in that our export licensing regulations have deprived Poland of considerable United States capital equipment not readily obtainable elsewhere and required by the ambitious industrialization program of the Polish Government. On the other hand, Poland has been able to obtain certain strategic goods from western European sources, notably Switzerland and Sweden. Our policy has also resulted in stimulating indigenous production and eastern European integration, which in the long run will reduce Poland's dependence on the west.

There are disquieting indications that we have not entirely succeeded in convincing our Polish friends, in the face of ceaseless anti-US propaganda by their Government, that our policy toward Germany takes adequate account of the ultimate interests of Poland and other smaller nations neighboring on Germany. Only the careful development of our German policy in the course of the years ahead, and our success in bringing a peaceful, prosperous Germany back into the family of western European nations, is likely to check this fear on the part of the Poles.

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[18] For documentation on Radio Free Europe, see pp. 261 ff.

ROMANIA

RESTRICTION AND HARASSMENT OF THE LEGATION IN ROMANIA[1]

511.66/3-250 : Telegram

The Minister in Romania (Schoenfeld) to the Secretary of State

RESTRICTED BUCHAREST, March 2, 1950—9 p. m.

134. [Grigore] Preoteasa, Deputy Minister Foreign Affairs sent me word this morning inviting me to call at 5:30 this afternoon.

When I did so, he told me he desired to inform me Rumanian Government asked the discontinuance US Information Office. It did not consider its activities normal diplomatic function.

I inquired whether Rumanian Government intended to send me a written communication. He indicated it did not. It considered his action as official notification.

I inquired whether he wished to make any further reservations. He indicated this was all. Rumanian Government asked that office cease its activities as of time of notification.

I said I should advise my government Rumanian Government desired cessation of USIS activities (he corrected use of word "desired" and said "demanded") and I added I assumed I might convey to him any response my government might desire to make.

Preoteasa who was nervous and ill at ease made no reference to any improper activities on the part of any one personally and notwithstanding my effort to draw him out, confined himself strictly to his general statement.

British Minister Roberts,[2] who saw Preoteasa at six o'clock tells me similar notification was made to him re British press office.[3]

SCHOENFELD

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[1] Previous documentation on this problem is presented in *Foreign Relations*, 1949, vol. v, pp. 521 ff.

[2] Walter St. C. H. Roberts, British Minister in Romania.

[3] Telegram 137, March 3, from Bucharest, not printed, reported that the United States Information Service had that day suspended library facilities, film showings, and musical programs for the Romanian public in order to avoid possible incidents. The British press office had taken similar action. It was feared that Romanian secret policemen stationed outside these facilities would arrest any Romanian citizens who might enter (511.66/3-350).

511.66/3-450 : Telegram

The Secretary of State to the Legation in Romania

RESTRICTED PRIORITY WASHINGTON, March 4, 1950—3 p. m.

68. Urtel 134, Mar 2.[1] You are authorized communicate FonMin re RumGov't demand discontinuance USIS Office as follows:

Begin. I refer my conversation with Deputy Min FonAff in which he informed me of RumGov's demand that Info Office of US Leg at Bucharest be discontinued forthwith. In this regard, my Govt has instructed me communicate to you the following:

Gov of US has taken note RumGov's oral demand for cessation USIS activities in Rum on grounds RumGov does not consider activities that Office normal dipl function. US Govt also notes that Rum FonOff declined at time further explain its position as regards this demand.

It is observed that summary character of RumGov's informal *démarche* was lacking all elements of customary dipl practice and courtesy. Moreover, refusal of Deputy FonMin to clarify his Govt's view that the USIS activities in Rum do not constitute a normal dipl function leaves in doubt exact nature of RumGov's demand and its position as regards the informational and cultural activities of dipl Missions.

RumGov is requested set forth precisely in written communication its views with respect such activities and exact extent of its demand. In particular, RumGov is asked state whether it considers inappropriate to a dipl Mission activities of accredited Public Affairs, Press or Cultural Officers directed toward exchange of information and promotion of cultural relations between the peoples of the countries concerned. US Govt wld be interested to know whether RumGov objects to maintenance by a dipl Mission of a reading and circulating library, its distribution of a news bulletin, its showing of educational films or exhibits, and its arrangement of musical programs.

The progressively severe restrictions imposed over last three years upon the informational and cultural activities of US Leg as a result attitude and actions of RumGov have brought about a situation in which these activities were already reduced to the barest minimum and virtually confined to premises of USIS Office. This in itself was a serious impediment to free flow of information and to maintenance cultural relations between the peoples of US and of Rum. Is it intention of RumGov's present demand entirely to block all such channels of communication and thereby further to circumscribe the free and frank exchange of information among the peoples of world which is so essential to internatl understanding and peace? Does RumGovt consider it necessary to achievement its objectives that Rum people's

[1] *Supra.*

knowledge of world affairs be limited exclusively to official version set forth in Govt controlled press?

US Govt is astonished at this action on part of RumGov especially in view fact that latter in recent years has maintained on staff its diplo Mission at Wash Press and Cultural Counselors, that its Leg has conducted various informational and cultural activities in US and that its Leg is publishing and distributing a weekly news bulletin. This bulletin is accorded the facilities of US mails and its publication is certified to US Dept of Justice as legitimate activity of Rum diplo representation in US. These activities have been sanctioned by US Govt as an evidence of its adherence to principles of freedom of press and publication and of established practice. Is US Govt given to understand by RumGovs action against USIS in Rum that it intends cease these activities on part its diplo representatives in US?

Without recognizing right of RumGovt to demand cessation of the informational and cultural services of US Leg at Bucharest, US Govt is suspending public activities of its dipl Mission in this field pending resolution of issue through further negots, and awaits RumGovt's reply to this communication. *End.*[2]

ACHESON

[2] The text of the note as delivered to the Romanian Foreign Ministry by Minister Schoenfeld on March 6 was released to the press by the Department of State on March 7; see Department of State *Bulletin*, March 20, 1950, pp. 443–444.

511.66/3–950 : Telegram

The Minister in Romania (Schoenfeld) to the Secretary of State

SECRET PRIORITY BUCHAREST, March 9, 1950—5 p. m.

167. Urtel 72, March 7, 3 p. m.[1] We are most mindful of publicity angle of USIS affair and urge for present publicity be kept on plane established by our note regarding free flow information and cultural interchange and Soviet-Communist obstruction. We believe sharp and detailed comparison between activities of cultural and information nature carried on in Washington by Rumanian Legation and those of USIS in Bucharest showing Rumanians have objected to what they themselves are doing is most profitable approach at this time.

Reference publicity on disappearances, arrests and intimidation of local staff, we urge greatest restraint on this phase. Such publicity may

[1] Telegram 144, March 4, from Bucharest, not printed, reported that three Romanian employees of the USIS office in Bucharest had disappeared on March 3 and were presumed to be under arrest (511.66/3–450). Telegram 72, to Bucharest, under reference here, not printed, stated that the Department of State desired to publicize the disappearances, arrests, and intimidation of the local staff of the Legation in Bucharest as an example of the terroristic measures and extremes of the anti-American program of a Communist state, and also as a measure for vitiating any fabricated evidence which might be adduced in likely forthcoming efforts to compromise the Legation (511.66/3–650).

be premature in view of bare possibility one or other of employees who have disappeared may be detained only briefly, questioned and released. Even excluding this possibility, we believe such publicity would worsen situation of employees directly involved, imperil safety of their families and adversely affect situation of remaining employees. We are convinced it would have no deterrent effect with regard to Rumanian maltreatment of local staff. On contrary, any action which reveals persons themselves or relatives have turned to us, merely brings down upon them added reprisals. Hostage system is one of favorite devices here and is unhesitatingly used and with dire effect.

Some Rumanian staff members have in fact asked that no publicity be given to arrests for sake of treatment accorded those in prison and their families and their own security. They have pointed out only harm can come to them since we cannot follow through on our protests.

Majority of our employees are still free and revelation of any information that we have received from them regarding their experiences with police can only destroy relations of confidence. While we shall, of course, continue to report fully on all such developments it is belived that for present there is more to lose than to gain by such publicity.[2]

SCHOENFELD

[2] In his telegram 219, March 27, from Bucharest, not printed, Minister Schoenfeld reported that during a call upon Romanian Foreign Minister Ana Pauker he had taken up the question of the disappearance of the three Romanian employees of the USIS office. Schoenfeld assured the Foreign Minister that the activities of the three employees had been entirely innocent and above-board. The Foreign Minister indicated a disposition to look into the matter but made no definite commitment (511.66/3–2750).

124.66/3–1850

The Minister in Romania (Schoenfeld) to the Romanian Minister for Foreign Affairs (Pauker)[1]

No. 889

The American Minister presents his compliments to Her Excellency the Rumanian Minister for Foreign Affairs and has the honor to state that the Department of State in Washington has studied the suggestion made orally to Mr. Schoenfeld by Madame Pauker on January 28 for an exchange of four visas for official staff of the Missions of the respective countries and desires him to make the following observations:

1. The United States Government reaffirms its non-acceptance of the arbitrary determination by the Rumanian Government through

[1] The source text was transmitted to the Department of State as an enclosure to despatch 200, March 18, from Bucharest, not printed.

control of visas of the size and character of the American Legation whose responsibilities with respect to American interests are only assessable by the United States Government. The acknowleged effort by the Rumanian Government to reduce the staff of the American Legation in this way contravenes the generally accepted principles of comity which are practiced by the United States Government with respect to Rumania and all other diplomatic representations in the United States.

2. The uncooperative attitude of the Rumanian Government and the progressive restrictions over a wide area imposed upon the American Legation have indicated clearly that the Rumanian Government is not interested in open and friendly contact between the Rumanian and American peoples but, on the contrary, that it wishes narrowly to confine relations between the two countries and to restrict diplomatic representation to a minimum.

The organization and maintenance even of a reduced staff is administratively impracticable if the capricious handling of official visa applications persists. The United States Government therefore desires an understanding that will obviate continual discussion of individual applications or groups of applications. The Rumanian Government as long ago as April 1948 gave informal assurances, which were subsequently several times repeated, of willingness to grant visas for replacements. In practice however these assurances were not observed.

3. The Rumanian Government has at different times referred to the disparity in size of the Rumanian Legation in Washington and the American Legation in Bucharest but has professed recognition of the principle that each Government should fix its own complement. Although the duties devolving upon the American Legation in Bucharest call for an overall American complement of more than 50 persons, the United States Government contemplates reducing the American personnel of the Legation to the neighborhood of 30, including the persons in the offices of the Service Attachés. In conformity with this reduction, the American Legation desires at this time 15 visas for such personnel in lieu of the 30 pending applications. It is prepared to withdraw the existing applications and to furnish a revised list of those currently requested.

4. As to the office of the Service Attachés, the United States Government requests the Rumanian authorities to fulfill their earlier assurances that replacements for the recognized Attachés would be acceptable. The above list envisaging 15 visa applicants includes new Army and Air Attachés replacing those accredited to Bucharest who have been or will be transferred when visas for replacements are granted.

5. If the suggested numbers are acceptable and visas are granted, the American Legation will be immediately authorized to act on the visa applications for Rumanian personnel now pending.

6. The United States Government also asks assurances that it may maintain the level and balance of its Legation membership through future replacements and that the Rumanian Government will issue visas promptly, unless a particular assignment is not agreeable to it on personal grounds. It believes that a period of 15 days should suffice for a decision on individual applications and the Rumanian Government may be assured of no less prompt action on visa applications for its official personnel than that which it accords the requests for visas for American official personnel.

7. Since these questions have been pending for a long time, it will be appreciated if a reply to these proposals may be given within the coming fortnight.

BUCHAREST, March 14, 1950.

124.66/3–1550 : Telegram

The Minister in Romania (Schoenfeld) to the Secretary of State

CONFIDENTIAL BUCHAREST, March 15, 1950—5 p. m.

185. I fully concur in inference expressed in last paragraph urtel 86, March 14, 6 p. m., namely, voluntary depletion complement Rumanian Legation Washington during visa impasse suggests Rumanians do not regard maintenance their mission of comparable importance to restriction or exclusion our representation in Rumania.[1]

Whole attitude here is one of rigid intransigence and active hostilities and I am still of opinion as stated in mytel 824, December 11, 8 p. m.[2] Kremlin would like to see us out.

While varied restrictions, chicanery and pressure designed to prevent effective operation of this mission and to hamper and breakdown individual staff members have long been common practice here, these measures have been greatly intensified in recent months and it is manifest increasing efforts are being made to force our hand.

As regards staff I believe as stated in mytel 62, January 30[2] that we can look for no relaxation in foreseeable future; that we are unlikely to receive even a reply to our recent note re staff (mytel 176, March 14[3]), and that after expiration of fortnight suggested for reply

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[1] The other portion of the telegram summarized here reported that Vlad Mardarescu, Counselor of the Romanian Legation in Washington, was being reassigned, leaving only two officers in the Romanian Legation: Minister Mihail Magheru and Third Secretary Ion Nitescu (601.6611/3–1450).

[2] Not printed.

[3] Not printed; it reported the delivery of the note of March 14 to the Romanian Foreign Minister, *supra* (124.66/3–1450).

we shall at best have to move toward skeleton status envisaged in urtel 54, February 24.[4]

[4] Not printed.

SCHOENFELD

124.663/4–1550 : Telegram

The Secretary of State to the Legation in Romania

CONFIDENTIAL PRIORITY NIACT

WASHINGTON, April 19, 1950—4 p. m.

130. Urtel 176, Mar 14.[1] We observe one month has passed without reply our *note verbale* Rum FonOff re official visas and staff despite request for reply within fortnight, ur subsequent informal representations to FonMin this regard (urtel 217 Mar 27[2]) with particular ref ur request Mar 10 re Gantenbein (urtel 182, Mar 15[3]) and FonMin's assurance forthcoming answer.

Rums' evidently calculated delay may be prolonged indefinitely as you suggest (urtel 257, Apr 15[4]) with increasingly serious consequences for leg, detriment our prestige and encouragement their further harassments if we appear resigned Rum discourtesy in failing even reply our inquiries re their unfriendly behavior.

Moreover, re stoppage USIS activities and nature Rum response our inquiries this regard (urtels 134, Mar 2; 153, Mar 6; 208, Mar 23; 218, Mar 27; 258, Apr 15[5]) which will be subj separate Tel,[6] since retaliation against Rum info activities in US might have disadvantage appearing run counter our consistent support principle freedom of info and cultural exchange, it is considered preferable at this time take alternative action which we have long contemplated, i.e., closing Rum NY commercial office.

In light above considerations it seems questionable whether possible disadvantage leg's situation re visas, staff etc., resulting such action outweighs disadvantages our inaction while Rums compound indignities with impunity (urtel 132, Mar 1).

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[1] Not printed; see footnote 3, *supra*.

[2] Not printed; it reported that during a conversation with Romanian Foreign Minister Pauker that day, Minister Schoenfeld had sought her views on his note of March 14. The Foreign Minister stated that a reply was in preparation, but she would not give even an approximate date when it could be expected (866.181/3–2750).

[3] Not printed. It reported that on March 10 Minister Schoenfeld took up the visa question with Madame Ana Toma, Secretary General of the Romanian Foreign Ministry whom he found grumbling and unresponsive. Schoenfeld concluded that there was no mistaking the generally hardening attitude by Romanian authorities on the problem of the Legation staff (866.181/3–1550).

[4] Not printed.

[5] For telegram 134, March 2, from Bucharest, see p. 1052; the other telegrams under reference here are not printed.

[6] Regarding the exchange of notes with the Romanian Government over the closing of the USIS office in Bucharest, see the editorial note, *infra*.

Accordingly subj ur views, we propose notify Rum leg here soonest as fol: US Govt regards activities Rum NY office (Deptel 54, Feb 24 and urtel 132[7]) unauthorized extension leg consular functions; no agreement asked or given for a Rum consulate NY; US Govt maintains no office Rum other than at Bucharest, and Rum Govt stated it will permit exercise consular functions by US officers only within leg (urdes 205, Mar 18[8]). We wld request immed cessation public business NY office and final closing office within two weeks from date our note. Wld further inform Rum leg we have under review, in light Consular Convention and reciprocity re our consular rights in Rum, their continuing exercise any activities in US of consular nature in absence presentation consular comms by Rum officers performing such functions and receipt exequaturs.

For urinfo it appears since Rum Mission reestab in 1946 no Rum officers have performed consular functions with benefit exequaturs. Re Crivilescu who has subsequently departed US, Rum Leg notified us May 1948 he performing consular functions and invested with title Vice Consul as well as Attaché; view then contemplated appt Consul replace Stanescu we accorded Crivilescu provisional recognition. Apparently third Sec Ion Nitescu only Rum officer currently performing such services extensively.

Effort to find appropriate basis for completely preventing gift parcel collections by Rum leg (urtel 132) being explored with Treasury and others. Grounds under considerations this end are (1) propriety collection Rum customs duties in US in dollar exchange, (2) reciprocity such fin transactions in Rum and US, (3) consular activity not confined protection Rum interests US. Threat of stopping these remunerative collections implied by proposed note, on grounds consular reciprocity, might provide leverage obtain Rum compliance Consular Agreement extent recognizing our officers. Also proposed *démarche* wld appear leave us freedom action re extent to which we might subsequently desire limit Rum leg activities pending reciprocal compliance Consular Convention light Rum restrictions our consular rights.

Dept desires urgently ur views re above proposal. Possible alternative wld be simultaneously with notification Rums re closing NY office inform them we not agreeable continuation henceforth any consular activities US without presentation consular comms by Rum leg personnel and receipt exequaturs. Wld state we prepared grant exequaturs accordance Convention if Rum Govt willing honor Convention with full and gen reciprocity by issuance exequaturs US consular personnel presenting comms in Rum. Ur views also desired whether such approach (which more consistent with appeal to Consular Convention)

[7] Neither printed.
[8] Not printed.

more likely bring Rums to terms or result further restriction our consular opportunities to material detriment US interests.[9]

ACHESON

[9] In his telegram 274, April 22, from Bucharest, not printed. Minister Schoenfeld concurred in the action proposed by the Department (124.663/4–2250).

In a note delivered on April 25 to the Romanian Legation in Washington, the Department of State requested the Romanian Government to close its establishment in New York City operating under the name of Office of the Romanian Commercial Attaché and its affiliated Office of Packages for Romania. The note expressed the view that the activities of the office in question was an unauthorized extension of the consular functions of the Romanian Legation. For the text of the note, released to the press on April 26, see Department of State *Bulletin*, May 8, 1950, p. 735.

Editorial Note

In a note of April 14 to the Legation in Romania, the Romanian Foreign Ministry replied to the Legation's note of March 6 regarding the Romanian Government's demand for the closing of the United States Information Service office in Bucharest (see telegram 68, March 4, to Bucharest, page 1053). The lengthy Romanian reply claimed that the United States Information Service was devoted to espionage, subversion, and propaganda. In a note transmitted to the Romanian Foreign Ministry on April 26, the Legation in Romania replied to the Romanian note of April 14. The Legation note, sent in pursuance of instructions contained in telegram 138, April 24, to Bucharest, not printed (124.665/4–1550), took the view that it was unnecessary to refute in detail the contentions of the Foreign Ministry note, and that it "would be ludicrous if they were not so serious in their implications for that understanding between peoples which is essential for peace". The note categorically denied charges of improper conduct by employees of the United States Information Service, and reaffirmed the view that information and cultural exchange constituted a normal and proper function of a diplomatic mission and could contribute to understanding between peoples. At the time of the release to the press on April 26 of the Romanian note of April 14 and the American reply of April 26, the Department of State also issued a lengthy summary reviewing Romanian Government actions against the United States Information Service in Bucharest and refuting allegations made in the Romanian note of April 14. For the texts of the Romanian Foreign Ministry note of April 14, the Legation's reply of April 26, and the Department of State summary issued to the press on April 26, see Department of State *Bulletin*, May 8, 1950, pages 732–735. The Legation note of April 26 is also printed in *American Foreign Policy, 1950–1955: Basic Documents*, volume II, pages 2147–2148.

766.00/4-2850 : Telegram

The Minister in Romania (Schoenfeld) to the Secretary of State

CONFIDENTIAL PRIORITY BUCHAREST, April 28, 1950—2 p. m.

312. Mytel 307, April 27.[1] As current USIS and BIO trial moves to its predetermined close, one conclusion clearly emerges: Recent political trial practically completes cycle begun with Maniu trial of October–November 1947 [2] and carried forward by Pop-Bujoiu trial November 1948 [3] designed to seal off US and UK from local contact and local influence.

Object of Maniu trial was to destroy Rumanian historical parties (National Peasants and Liberals) and their chief leaders, to discredit them by identifying them with US and British opposition to Kremlin-controlled government, and thus convict them of treason and in process, to remove representatives of those parties from machinery of government and to substitute for them trusted and obedient Kremlin agents. It will be recalled Ana Pauker, Vasile Luca [4] and Emil Bodnaras [5] took office following that affair.

Pop-Bujoiu trial carried process a step further by elminating and terrorizing potentially dangerous opposition elements among former industrial and business leaders particularly those with Western ties or affiliations. Method used was largely same as in Maniu trial, namely accusations of conspiracy, espionage and sabotage in service of Anglo-American imperalists. Trial served to intimidate local circles further from contact with Western representatives and action was in some respects more direct as Rumanian Government insisted on expulsion of certain US and UK diplomatic officials.

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[1] Not printed. In April 1950, Nora Samuelli, a Romanian employee of the United States Information Service in Bucharest, Liviu Popescu-Nasta, the Romanian correspondent for the *New York Times*, and three Romanian employees of the British Information Office in Bucharest, were tried and convicted by a Romanian military court of charges of having conducted espionage for the American and British missions in Romania. The five defendants were sentenced to various periods of imprisonment ranging from 15 years to life. Legation reports to the Department of State on the course of the trial, including the telegram under reference here, are included in file 766.00.

[2] In November 1947, Juliu Maniu and other leaders of the Romanian National Peasant Party were convicted by a Bucharest military court of conspiring with American and British agents to overthrow the Communist regime in Romania. Maniu was sentenced to life imprisonment. For documentation on the attitude of the United States toward the arrest and trial of Maniu and the National Peasant Party leadership, see *Foreign Relations*, 1947, vol. IV, pp. 471 ff.

[3] From October 27 to November 2, 1948, twelve Romanian citizens were tried by a Bucharest military court for participation in an alleged conspiracy to overthrow the Romanian Government and to set up an espionage system for the United States and the United Kingdom. All of the accused were convicted and sentenced to various terms in prison.

[4] Deputy Premier, Minister of Finance, and member of the Politburo of the Romanian Communist Party.

[5] Romanian Minister of War and member of the Politburo of the Romanian Communist Party.

Present trial, which seeks on similar charges to justify closure of USIS and BIO offices after the event, largely closes out remaining contact between US and UK missions and local Rumanian life and seems calculated to separate them from their native employees. Trial directed as it has been against local employees of USIS and BIO and against local revisions [*representatives?*] of foreign press (mytel 308, April 28 [6]) reinforces already—strong sense of fear among those elements and impedes operation, not to speak of effective work.

US and UK missions are thus to be left, not only reduced in size, but virtually suspended in a vacuum and not to be permitted to see, hear, or discuss what goes on in this country. With present trial cycle is practically complete.[7]

SCHOENFELD

[6] Not printed.

[7] In a statement issued to the press on May 3, the Department of State denounced the recently concluded Bucharest trial of Romanian employees of the American and British information offices. The statement categorically denied that Nora Samuelli's functions with the American Legation could in any way be considered espionage or conspiracy. It was also observed that the *New York Times* local correspondent had only been performing routine newsgathering activities. The statement concluded that the trial had been designed principally to discredit the American and British diplomatic missions in Romania, to intimidate Romanian citizens from employment or contact with the missions, and generally to sever the lines of communications between the peoples of Romania and the free world. For the text of the statement, see Department of State *Bulletin*, May 15, 1950, p. 755.

602.6611/5–1550 : Telegram

The Minister in Romania (Schoenfeld) to the Secretary of State

PRIORITY PLAIN BUCHAREST, May 15, 1950.

352. Following is translation Rumanian Foreign Office note May 13 received 5 : 35 p. m. May 15 re official visas.

"Ministry of Foreign Affairs of RPR presents compliments to Legation USA Bucharest and in reply note No. 889, March 15 [*14*], 1950 [1] in which Government of USA poses problem of granting visas to new diplomatic personnel of US Legation Bucharest and fixing size of personnel of that Legation has honor on behalf of Government of RPR to communicate following:

"Re problem of visas for personnel of US Legation Bucharest, Government of RPR reminds Government of US present size of personnel at Legation is many times greater than size of personnel of Legation before war. In years 1936–37 diplomatic personnel of US Legation Bucharest comprised six members including MA who was at same time accredited to Athens and Belgrade where he maintained his permanent residence. In post war period total size of personnel US Legation Bucharest including large number employees of former American element of ACC in Rumania who normally would have been

[1] *Ante*, p. 1055.

required to leave country on termination of work of that commission numbered as many as 53.

"This increase in personnel does not correspond at all to relations created by unfriendly policy carried out by US Government towards RPR.

"The great number of members of Legation cannot be considered separately from hostile policy carried out by Government of US against RPR and manifested in espionage activity carried out by some members of Legation of USA in Bucharest as proved in treason trials of leaders of former National Peasant Party, Auschnitt-Popp-Bujoiu, band of conspirators and group of spies of American and British Information Offices [2] in repeated attempts to mix in internal affairs of RPR, slanderous attacks against RPR, hostile attitude toward RPR interests displayed by delegates of USA in UNO and official support accorded all the traitors who have fled from RPR.

"The reference of Government of USA to principles of courtesy and reciprocity is entirely out of place when US Government has refused steadily to accord visas for personnel to replace members of RPR Legation Washington who in last two years have stopped working at that Legation though Government of RPR even in year 1949 has granted visas for several replacements for members US Legation Bucharest until intention of American Government to obstruct activity of RPR Legation Washington became apparent.

"For all these reasons Government RPR requests US Legation Bucharest to reduce number of its personnel to 10, it being understood that parity with respect to number of members of RPR Legation Washington is put forth by RPR Government as a condition for this solution of problem of number of members of American Legation Bucharest.

"Bucharest May 13, 1950."

SCHOENFELD

[2] Regarding the trials under reference here, see telegram 312, April 28, from Bucharest, *supra*.

124.663/5–1850 : Telegram

The Acting Secretary of State to the Legation in Romania [1]

CONFIDENTIAL PRIORITY WASHINGTON, May 19, 1950—8 p. m.

NIACT

164. Urtel 352, May 15.[2] Dept considers that prolonged delay in replying Rum demand of May 13 for reduction Leg staff suggested

[1] This telegram instruction was drafted by the Office of Eastern European Affairs and was cleared by other appropriate offices of the Department of State and by Acting Secretary Webb.

On May 19, Acting Secretary Webb discussed the Romanian demand for reduction of the Legation staff in Bucharest with Senator Tom Connally of Texas, Chairman of the Senate Foreign Relations Committee, Senator Alexander Wiley of Wisconsin, ranking active Republican member of the Committee, and Francis O. Wilcox, Chief of Staff of the Committee. The Senators understood and approved the action the Department of State was undertaking. (Memorandum by Acting Secretary of State Webb, May 19: 611.66/5–1950)

[2] *Supra*.

urtel 356, May 18,[3] runs too great hazard further Rum move in near future in nature ultimatum similar recent Czech demand.[4]

Accordingly, it is desired that you address FonMin fol note to be delivered prior ur departure (Legtel 354, May 16 [5]):

"I have honor refer note MinFonAff of RPR under date May 13 in response a note of Mar 15 from AmLeg.

I am directed by my Govt to state that it cannot admit as conforming generally accepted principles and practices internatl comity that a receiving state shld attempt arbitrarily and unilaterally to determine composition dipl Mission of a state with which it maintains relations. Moreover, my Govt wholly rejects pretexts which RumGovt puts forward as basis its demand for reduction US representation Rum.

In line with evidences of RumGovt's attitude and actions toward US and AmLeg over past several years, Ministry's note makes clear that RumGovt is not disposed further interests of two countries in maintenance normal dipl relations.

Accordingly, US Govt, while reserving its rights and customary privileges, intends reduce official personnel its leg Bucharest to conform situation created by arbitrary attitude of RumGovt, as indicated in Min's note of May 13, 1950. This reduction is premised on understanding that RumGovt will in future take prompt action upon visa applications for replacement members of leg staff."

View mounting harassments by RumGovt against leg, Dept has decided institute travel restrictions on Rumleg personnel in US (Deptcirgam Aug 19, 1949, 8:10 AM, Deptel 145, May 1; Legtel 330, May 3 [6]). With this in mind, Dept desires you make strong effort on basis ur imminent deparature schedule appt with FonMin or at least with Preoteasa or Toma and connection delivery above note orally

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[3] Not printed. In it Minister Schoenfeld suggested that the United States reject the Romanian demand for the reduction of the Legation staff and reiterate the American desire to facilitate the mutual issuance of visas for personnel needed by the American Legation in Bucharest and the Romanian Legation in Washington. Schoenfeld believed that the underlying question in the matter was whether or not the Romanian regime was determined to force the withdrawal of the American mission. He thought that an attempt should be made to keep the situation open in an effort to ascertain the real motivation of Romanian authorities (124.663/5–1850).

[4] For documentation on Czechoslovak demands for a reduction of the personnel of the American Embassy in Praha, see pp. 526 ff.

[5] The return of Minister Schoenfeld to Washington for consultation had been under consideration for some months but had been delayed pending favorable action by the Romanian Government on the visa application of James W. Gantenbein, Counselor-Designate to the Legation in Bucharest. Telegram 150, May 4, to Bucharest, not printed, authorized Minister Schoenfeld to inform the Romanian Foreign Ministry that the Department of State urgently wished him to return to Washington for consultation for an indefinite period. In the absence of a favorable action on Gantenbein's visa application, Minister Schoenfeld was obliged to leave the Legation in the charge of a junior officer. Schoenfeld was to inform the Romanian Foreign Ministry that the Department of State recognized the misinterpretation which public opinion might place upon the fact that the Legation was left in the charge of a junior officer, but the Romanian Government's "inexcusable tactics" left no alternative (123 Schoenfeld, Rudolf E.). In the telegram under reference here, not printed, Schoenfeld stated that he planned to depart about May 24 (123 Schoenfeld, Rudolf E.).

[6] None printed.

inform FonOff along lines suggested Deptel 150, May 4 [7] and in addition make fol points:

Because of restrictions to which Leg has been subjected increasingly over past three years by Rum auths, US Govt is reviewing situation of RumLeg Wash.

Since, in general contravention internatl comity and in particular contravention existing Consular Agreement between US and Rum, RumGovt has seen fit impose severe travel restrictions upon US dipl and consular reps in Rum, US Govt has decided apply comparable restrictions on movements official Rum personnel within US. RumLeg Wash and MinFonAff will presently be informed precise nature such restrictions and terms of obtaining permission to travel within US. In acting upon requests by Rum officers for travel US Govt will have in view current extent of courtesy accorded by Rum auths to Amer officials in Rum.

Dept strongly hopes you will be able make above presentation in person. If it proves impossible obtain appt with high FonOff official before ur departure you may transmit note and have Williams [8] make informal statement soonest thereafter. Pls report whether FonOff fails schedule appt for you even in knowledge ur intended departure.

Dept contemplates, on receipt Leg's notification delivery note and oral communication, immed informing RumLeg here terms travel restrictions.[9]

Our views on restaffing will be tele soonest.

WEBB

[7] See footnote 5, above.
[8] Murat W. Williams, Third Secretary of the Legation in Bucharest.
[9] Regarding Acting Secretary of State Webb's note of May 25 to the Romanian Minister restricting the travel of Romanian Legation staff members, see the editorial note, p. 1067.

124.663/5-2250 : Telegram

The Minister in Romania (Schoenfeld) to the Secretary of State

CONFIDENTIAL PRIORITY BUCHAREST, May 22, 1950—6 p. m.

375. Urtel 164, May 19.[1] Mme. Pauker received me at 1 p. m. today. I was accompanied by Williams. At that time I handed her note embodying our position on official visas. I explained very briefly we did not accept principle but we accepted fact. She read over note and after pause said: good.

I told her there were couple of points I desired to clarify. Did Rumania proposal of staff of 10 include Chief of Commission or was he in addition. She indicated he was additional. I then said: Total of 11 including him. She confirmed this.

[1] *Supra.*

I said my second point related to pace of reduction. We had two buildings. One housed consular section and service attachés. Other housed chancery. We proposed to consolidate into one building and release other. This involved considerable work. I hoped we might be allowed some leeway in pace of reductions so as to accomplish this work in orderly fashion. We expected to effect it during course of June. She indicated favorable disposition toward this suggestion.

Mme. Pauker referred to final paragraph our note re prompt granting visas for replacements. She said it did not specifically state this should be reciprocal. I said I could reassure her on that point. We would act on their visas without delay. (We plan to go ahead on pending cases if Department concurs. Please advise.)

I then said I hoped there might be some over-lapping. I trusted it would not be necessary to wait until persons had actually left before visas for replacements could be granted. On this point I asked whether Gantenbein visa [2] could be issued at this time. Mme. Pauker said she could not give answer at the moment. She would consult government and communicate result.

I then passed to question of travel restrictions. I said as I saw it she was advocate of reciprocity. She agreed. Continuing I told her my government desired me to say that because of progressive restrictions imposed on American Legation, Bucharest, Washington was reviewing situation Rumanian Legation there. (Mme. Pauker gave me a quizzical glance.) I added that since Rumanian Government had imposed severe travel restrictions on us in contravention international comity and US-Rumanian Consular Convention, Washington had decided apply similar restrictions on Rumanian official personnel in US. Mme. Pauker said Rumanian restrictions were non-discriminatory. They applied to all. (I suggest Department frame its system with eye to this point.) I pointed out there was no doubt of difference of treatment Rumanian officials in US and American officials here. I added Washington intended inform her Ministry and Rumanian Legation Washington shortly precise nature of such restrictions. I added US Government would be guided in application by current treatment here.

I expressed hope restrictions here would be eased. I said I could not see value of all harassments. I regretted to tell her that due to them no single member of my staff had left without resentment. She said she realized these things affected a person's attitude.

I went on to say there was one other question that gave me concern. This was question of housing. I cited certain cases of direct action by Rumanian authorities. She agreed they were undesirable. (I shall report details in separate telegram.) I suggested these questions should be discussed between Legation and Foreign Office. I was sure if they

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[2] Regarding the visa case of Legation Counselor-Designate Gantenbein, see footnote 5, *supra*.

were taken up with Williams Foreign Office would find him entirely reasonable.

I then recapitulated main points staff of 11 with Chief of Mission, reasonable time to consolidate into one building, prompt issue of visas, intended travel restrictions and Gantenbein visa and commended Williams to her as Chargé d'Affaires.[3]

Mme. Pauker asked about my plans. I told her I was reporting to Washington for consultation. I had hoped to leave in February. Due to developments here I had been obliged to postpone my departure. Early in May Washington had ordered me to report for consultation without delay. My future movements would depend on result of my consultation.[4]

SCHOENFELD

[3] From June 1950 the Legation in Romania adhered to the limitation of its American staff to 10 members, exclusive of the Minister. Delays and obstructions by the Romanian Government in the processing of visa applications for replacements for American staff members continued throughout the remainder of the year and was the subject of continuous negotiation between the Legation and the Romanian Foreign Ministry. Documentation on these problems is basically included in the file 124.66.

[4] Minister Schoenfeld departed from Bucharest on May 24 and Third Secretary Williams assumed charge of the Legation. Schoenfeld did not again resume his post in Bucharest. In January 1951 he was named Ambassador to Guatemala. Counselor of Legation James Gantenbein was finally granted a visa by the Romanian Government, and upon his arrival in Bucharest in August, he assumed charge of the Legation.

Editorial Note

In a note delivered to the Romanian Legation in Washington on May 25 and released to the press the following day, Acting Secretary of State Webb informed the Romanian Minister that, effective immediately, members of the Romanian Legation in the United States and their dependents would no longer be permitted to travel, except by special permission, outside a designated area extending 35 miles from the District of Columbia. At the time of the issuance to the press of the note of May 25, Acting Secretary of State Webb also issued a statement briefly reviewing the contents of the note delivered to Romanian Foreign Minister Pauker by Minister Schoenfeld on May 22 and Schoenfeld's oral advisement of the imminent institution of travel restrictions on Romanian Legation personnel in the United States (see telegram 375, May 22, from Bucharest, *supra*). For the texts of the Acting Secretary's note of May 25 and his statement of May 26, see Department of State *Bulletin*, June 5, 1950, page 92 or *American Foreign Policy, 1950–1955: Basic Documents*, volume II, pages 2148–2150.

On June 19 the Romanian Minister delivered a note to the Secretary of State protesting against the regulations instituted on May 25 with

respect to travel by Romanian Legation personnel. Secretary of State Acheson took public cognizance of the protest in a statement issued to the press on June 23. The Secretary reviewed the progressively more severe restrictions, impediments, and discourtesies imposed upon members of the American Legation in Bucharest over a 3-year period. He observed that the restrictions and harassments to which the American Legation had been subjected by the Romanian Government were more comprehensively severe than those of any other country. The Secretary insisted that the institution of travel restrictions on Romanian Legation personnel involved reciprocity of diplomatic comity and would be carried out with a view to the current treatment of American representatives in Romania. The Secretary formally rejected the substance of the Romanian protest of June 19 in a note delivered to the Romanian Legation on July 3. The reply stated that the restrictions upon travel by Romanian Legation personnel would not be altered until the Romanian Government removed those restrictions it had placed upon travel within Romania by American Legation personnel. For the texts of the Secretary of State's statement of June 23 and his note of July 3 to the Romanian Minister, see Department of State *Bulletin*, July 3, 1950, page 30 and *ibid.*, July 17, 1950, page 117, or *American Foreign Policy, 1950–1955: Basic Documents*, volume II, pages 2151–2153.

Throughout the remainder of 1950, discussions continued between the Legation in Bucharest and the Romanian Foreign Ministry in an effort to find a mutually satisfactory adjustment of travel restrictions on American diplomatic personnel in Romania and Romanian diplomatic personnel in the United States. Documentation on these discussions is included in files 124.66 and 601.6611.

Editorial Note

In early June 1950 the Romanian press launched a propaganda campaign against the alleged subversive activity of the American Legation in Bucharest based upon an incident in which military personnel assigned to the Legation disposed of a small quantity of obsolete small arms ammunition in a suburban Bucharest lake near the residence of Assistant Army Attaché Capt. Herschel Hutsinpiller. The two American enlisted men directly involved in the incident left Romania on June 10. On June 14 the Romanian Government demanded the withdrawal of Captain Hutsinpiller. Acting on instructions contained in telegram 215, June 17, to Bucharest, not printed, Chargé Williams orally and in an *aide-mémoire* of June 20 refuted the substance of the accusations against Captain Hutsinpiller but agreed to his withdrawal in conformity with customary diplomatic practice.

Captain Hutsinpiller left Romania on June 25. For the text of the Legation *aide-mémoire* of June 20, released to the press in Washington on June 21, see Department of State *Bulletin*, July 3, 1950, pages 29–30, or *American Foreign Policy, 1950–1955: Basic Documents*, volume II, page 2150. For a statement issued to the press by the Department of State on June 21 explaining some of the details of the "ammunition dumping" incident, see Department of State *Bulletin*, July 3, 1950, page 30.

124.663/6–2050 : Telegram

The Chargé in Romania (Williams) to the Secretary of State

CONFIDENTIAL NIACT BUCHAREST, June 20, 1950—5 p. m.

464. Deptel 215, June 17. I communicated Department's statement and delivered *aide-mémoire* re Hutsinpiller Mme. Toma at two p. m. today.[1] She received it angrily and insisted facts were inexact (*a*) because quantity was not negligible and (*b*) because Rumanian Government had waited from June 9 to 14 for reply re Hutsinpiller. I reminded her five days were barely enough exchange cables across ocean.

At same time I delivered protest directed by Deptel 214, June 17, re couriers [2] and left informal *aide-mémoire* to make sure Mme. Toma (who misses details in French) understood all my oral statement. This protest made her even more angry and she retorted we would have a reply. She said last part protest sounded as if we wanted strict reciprocity of treatment in which case we might have couriers only once in six weeks. (See Legtel 459, June 17 [3]) I replied emphasizing I had said "at whatever intervals." She then turned in anger from question of reciprocity to charge we were guilty of discrimination against Rumania's Washington [Legation] because of travel restrictions. I of course said Rumanians alone were restricted in US because Rumanians alone restricted our diplomats. With rising temperature she reverted

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[1] Regarding the statement, *aide-mémoire*, and telegram under reference here, see the editorial note, *supra*. Ana Toma was Secretary General of the Romanian Foreign Ministry.

[2] On June 16–17, the Romanian Foreign Ministry acknowledged to the Legation in Bucharest that the prior practice of automatic visas to American couriers had been discontinued. Romanian officials indicated that courier trips to Bucharest were too frequent and that no visas would be immediately forthcoming. In the telegram under reference here, the Department of State authorized Chargé Williams to informally and strongly protest the Romanian action in seeking to determine the Legation's courier service by means of visa controls. The telegram authorized Williams to indicate the intention of the United States Government to take into account the Romanian action when acting upon visa applications for Romanian couriers (124.663/6–1750).

[3] Not printed.

to threat of limiting our courier service and with that interview ended. She was attended by Dobroiu [4] and I was accompanied by Mason.[5]

WILLIAMS

[4] Acting Director of the Western Affairs Section of the Romanian Foreign Ministry.

[5] Gordon B. Mason, Assistant Attaché, Legation in Romania.

124.663/6–2350 : Telegram

The Chargé in Romania (Williams) to the Secretary of State

SECRET BUCHAREST, June 23, 1950—11 a. m.

471. Legtel 464 June 20.[1] With courier visa impasse gravely threatening Legation's communications and minimum effectiveness we assume Department is again reviewing over-all question maintaining relations with Rumania.

In absence information Department's current intentions Legation submits following observations:

It is vital to whole question to determine whether Rumanian Government has actually decided force break with US (see Legtel 356 May 18 [2]). If Rumanian Government is determined to break it will prefer do so by slow humiliating attrition piling isolation upon insult until we are forced to leave Rumania with our prestige badly smattered. This process may be long, drawn out to give Rumanians maximum opportunity to drag down US reputation.

With this in view we may put question to test by taking initiative and seizing opportunity (unless situation unexpectedly mends) to warn Rumanians implicitly we must suspend relations unless we promptly get visas for couriers and replacements including Military Attaché personnel. Rumanians could be expected to make concessions of whatever value only if they desire maintain relations. If concessions are made, our effectiveness will be at least temporarily reinforced. If refused, as is quite likely, we may save ourselves from compounded humiliation by thwarting Rumanian design to submit us to slow strangulation. In this case, onus of break would be on Rumanians because of their refusal of courier visas, a minimum requirement for diplomatic relations.

In submitting above considerations we recognize basic desirability maintaining relations in those countries to which it will be hard to return once we leave but Legation also feels it likely Rumanians are determined to break and will do so on their own slow death terms unless we take initiative.

WILLIAMS

[1] *Supra.*

[2] Not printed, but see footnote 3, p. 1064.

124.66/6-2350 : Telegram

The Secretary of State to the Legation in Romania

CONFIDENTIAL WASHINGTON, June 24, 1950—2 p. m.

228. Urtel 471, Jun 23[1] and previous. Rum Min[2] summoned by Dept for appt today with Asst Sec Perkins[3] re courier impasse in context complex of restrictions imposed by Rums on Leg. Perkins characterized Rum Govt's refusal visas to couriers and its indicated intention limit our service six week intervals as incomprehensible in conduct dipl relations. He stated that US Govt takes very serious view this latest Rum action, and indicated that these and other Rum measures oblige US to review whole question of its relations with Rumania.

Magheru professed ignorance details courier issue. When informed he gave as his personal view that Rum action fitted framework reciprocity for "various restrictions imposed in recent times" on Rum Leg here.

Perkins replied that it was certainly not we who had begun this business, to which Magheru retorted that there was disagreement on that point as in his conversation last November (Deptel 397, Nov 21, 1949[4]). Perkins dismissed further discussion this regard as useless. He raised also matter of Rum procrastination on issuance requested visas for replacements Leg's staff and emphasized that he wished Rum Min convey to his Govt gravity with which this Govt views trend of developments affecting Leg for which Rum Govt is responsible.

Conversation concluded with Magheru's agreement communicate Dept's views to FonOff.[5]

Serious consideration will be given comments urreftel in shaping future course our action.

ACHESON

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[1] *Supra.*

[2] Mihail Magheru.

[3] Assistant Secretary of State for European Affairs George W. Perkins.

[4] *Foreign Relations*, 1949, vol. v, p. 543.

[5] On July 28 the Department of State sent a *note verbale* to the Romanian Legation reminding it of the serious view which the United States Government took of the various harassments and restrictions imposed upon the American Legation in Bucharest, particularly the indicated intention of Romanian authorities drastically to limit courier service to that Legation. The Department of State stated that it was still awaiting a response to its protest and a clarification of the Romanian Government's intentions (124.66/7-3150). There appear to have been no responses by the Romanian Legation to these protests and demands for clarification.

124.66/7-1950 : Telegram

The Chargé in Romania (Williams) to the Secretary of State

CONFIDENTIAL BUCHAREST, July 19, 1950—9 p. m.

64. Legtel 58, July 18.[1] At Foreign Office today Bogdan[2] told me Rumanian Government proposed give our couriers visas for trips at unspecified and irregular intervals but not for resumption previous weekly schedule.

I protested against Rumanians trying fix frequency our courier trips which was matter for US Government alone regulate. Although he denied such intention he reiterated his former statement "we think your couriers come too often" and pointedly referring to "revelations" in recent spy trials added "because of past activities of certain members your Legation we asked you to reduce Legation staff and similarly we think you should reduce courier schedules." After rejecting implied accusation re past activities as untrue and irrelevant I asked what could be relation between size Legation and its couriers since regardless of staff Legation still represents USA, its citizens and interests and thus needs pouch service. Bogdan denied he meant any mathematical relation and resorted again over protest to general charges about Legation's activities which he thought had given rise new framework of American-Rumanian relations to which frequency couriers should be adjusted. He refused give opinion as to what Rumanians thought fit interval between couriers.

Although prospects for future are dim Bogdan assured me visas are authorized for couriers now waiting Vienna but he could not guarantee authorization would arrive in time for this week's trip.[3]

[WILLIAMS]

[1] During late June and early July promised visas for American couriers continued to be withheld by Romanian authorities despite frequent Legation inquiries and protests. In the telegram under reference, not printed, Chargé Williams asked to be authorized to deliver a still stronger protest to the Romanian Foreign Ministry emphasizing the specific falsehood of Romanian officials and stating plainly in writing that it was difficult to do business with a government which indulged in falsehoods and which by deliberate evasions and delays sought to obstruct communications between the Legation and the Department of State (124.66/7-1850). The Department did not reply to the suggestion.

[2] Chief of the Western Affairs Section, Romanian Foreign Ministry.

[3] Subsequent reports from the Legation in Romania indicated that the Romanian authorities had resumed the issuance of visas to American couriers on a strictly restricted and controlled basis.

Editorial Note

In the course of a short automobile trip on September 4, 1950, Lieutenant Colonel Franklin G. Rothwell, Army Attaché in Romania, and Gordon Mason, Attaché of the Legation in Romania, were de-

tained by the Romanian militia at the small town of Urziceni, 50 kilometers from Bucharest but not in an area prohibited for travel by American diplomatic personnel. Rothwell and Mason were held under guard for six hours, were questioned, and were not allowed to communicate with the Legation. The detention was the subject of a series of protests by the Legation to the Romanian Foreign Ministry. In a statement issued to the press on October 19, the Department of State reviewed the incident and the subsequent American protests. The statement concluded: "The present incident is one of many which illustrate the deliberate policy of the existing Rumanian regime to insult and harass American official representatives in that country." For the text of the statement, see Department of State *Bulletin*, October 30, 1950, page 695.

UNION OF SOVIET SOCIALIST REPUBLICS

REPORTS ON DEVELOPMENTS OF SIGNIFICANCE WITHIN THE SOVIET UNION OF CONCERN TO RELATIONS WITH THE UNITED STATES AND OTHER COUNTRIES[1]

Editorial Note

After some earlier sporadic attempts the continuous, intensified jamming of the informational and news programs broadcast by the Voice of America in the Russian and English languages by the Soviet Union was commenced in earnest on April 24, 1949. (See *Foreign Relations*, 1949, volume V, pages 609–667, *passim.*) This situation continued unabated despite remonstrances by the United States, with occasionally one side or the other gaining slight, temporary advantages, until by the beginning of 1950 the Voice of America broadcasts were estimated to be at a level of 15 to 20 percent effectiveness.

Throughout 1950 the Department of State and other departments and agencies cooperated in efforts to overcome or circumvent the jamming of the programs of the Voice of America by all possible scientific methods. The best available technical research and practical recommendations on further measures which could be used to penetrate the jamming were studied and applied. Better and more equipment was obtained; combined use of massed transmitters of other countries and the British Broadcasting Corporation to get broadcasts through the interference was instituted; and programs were rebroadcast and wave lengths slightly varied along with other ways to reach more possible listeners.

The United States Embassy in the Soviet Union had a "monitoring team" which sent back regular and frequent statistical reports on jamming intensity and the relative degree and quality of the reception of programs based upon observations in Moscow and from wherever else possible inside the Soviet Union. The location and the probable numbers of jamming equipment were sought. Not unnaturally, it became apparent that a better percentage of intelligible reception was available in regions more remote from large cities, particularly Moscow and Leningrad. Generally, however, there was not found any constant, clear reception of entire programs, mostly because of jamming with high, shrieking sounds, although some interference could be attributed to local atmospheric conditions and to the inability

[1] Continued from *Foreign Relations*, 1949, vol. v, pp. 545 ff.

of many radios of Russian manufacture to receive broadcasts requiring fine tuning.

A large number of reports, often quite technical in nature, relating to the jamming of the Voice of America broadcasts, the monitoring of reception, and consideration of means for the improvement of transmissions, are contained in the Department of State files, principally under 511.614. Some comments on the importance of the Voice of America in penetrating to the people of the Soviet Union despite colossal jamming by the Soviet Government were made by Foy D. Kohler, Chief of the Division of International Broadcasting, in Department of State *Bulletin*, March 20, 1950, pages 430–432, and by Edward W. Barrett, Assistant Secretary of State for Public Affairs, *ibid.*, June 19, 1950, pages 992–995. For further documentation on the general policies and problems with respect to the Voice of America and the information policy of the United States toward the Soviet Union and Eastern Europe, see pages 261 ff.

961.61/1–450 : Airgram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

CONFIDENTIAL Moscow, January 4, 1950.

A–6. *Pravda* lead editorials at the turn of the year are of more than ordinary interest because they sum up Soviet achievements and prospects. A comparison of the editorials for December 31, 1949, and January 1, 1950, with the corresponding ones for 1948–49—selecting the strongest statements on each topic—yields the following results:

1. *Domestic Affairs.* The editorials at the turn of 1948–49 say the preceding year has been the "decisive year" of the postwar five-year plan, demonstrating that the plan will be fulfilled ahead of time and giving rise to the slogan calling for fulfillment in four years. Specific achievements, however, are cited chiefly for the iron and steel industry, which has surpassed prewar levels. A few other branches of industry are said to have fulfilled their plans for the year. The Soviet people enters the new year with "unshakeable faith in its powers"; before it stand "grandiose tasks" on a "scale hitherto unequalled."

The editorials for 1949–50 devote much less space to domestic affairs but they cite more extensive data on economic progress: total volume of industrial production for the past year was over 40% above that of 1940; the level of production for the fourth quarter was 50% above prewar; "the grain problem is already solved." So Soviet people "had something to rejoice about" for New Year's: "living has got better, living has got gayer." Correspondingly a bolder note of confidence is sounded: "We can build our plans, set ourselves tasks, daringly and confidently—the plans will be fulfilled, the tasks will be solved. Everything that was intended for the year 1949—all has been accomplished." "Our people is rightly called a victor-people. . . .[1] There are no for-

[1] Omission in the source text.

tresses it cannot overcome, no affairs which are beyond its power."

2. *Approach to Full Communism.* The 1948–49 editorials speak briefly and abstractly of the full victory of communism as incentive for further industrial progress, and as guaranteed by the wise leadership of the Party. The 1949–50 editorials are more confident and specific: "The 'distant communism' of which generations dreamed is already becoming a near reality; traits of communism are clearly showing through Soviet actuality"—e.g. differences between physical and mental labor, between country and city, are being eliminated; cultural abundance is being created, the conditions of labor eased.

3. *Soviet Leadership of "Progressive" Humanity.* The 1948–49 editorials include only one brief passage on this topic, saying that the past year has witnessed new growth in the "international authority" of the USSR, which is vanguard of all forces fighting for peace and democracy. The 1949–50 editorials devote twice as much space and more glowing words to the subject. "The Moscow Kremlin has become the center of attraction for the feelings, thoughts and wills of millions of people. All roads in the 20th century lead to it." The Soviet land has become the great example from which other peoples are learning how the basic problems agitating mankind are solved. "Our people head the invincible and victorious march of humanity on the road of true civilization and true progress." The USSR is "carrying aloft the shining torch of communism over the whole world."

4. *Weakening of the "Imperialist" Camp.* The 1948–49 editorials are brief and lack particulars. The "General Crisis of Capitalism" is undermining the rotten structure more and more. There is unemployment, impoverishment of workers, degradation of culture, warmongering. But no mention is made of a specific economic crisis, nor of imminent threat of war as a capitalist last resort. The 1949–50 editorials speak more positively and at length. A new economic crisis is actually under way—U.S. production statistics are cited as evidence, and the economies of England, France, Italy and other countries are said to be steadily declining; the figure of partially or totally unemployed in "bourgeois" countries is put at 40,000,000; the wrath with which these oppressed millions are rising to fight for bread and freedom is capped with a rousing declaration which Victor Hugo cast in the face of French and other "reactionaries." Finally, the "imperialists," seeking a way out of their increasing difficulties, are rabidly preparing a new war for world mastery, and the savagery to which they are prepared to go is illustrated by the Japanese currently being tried for bacteriological warfare.

5. *Strengthening of the "Socialist" Camp.* The 1948–49 editorials again speak briefly and in general terms. The forces of the socialist camp are growing daily and constitute an invincible obstacle to the warmongers, whose plans are being unmasked and wrecked. The 1949–50 editorials have much more to say. The "popular masses of Europe and Asia are going from victory to victory"; there is an organized "peace front" of 600 million; formation of the German Democratic Republic has marked a turning point in the history of Europe; China has been won; "we hear the sounds of the Indian Marsellaise." In short, "the camp of peace and socialism is immeasurably stronger today than the camp of capitalist reaction."

6. *Nearness of World Victory.* Though the 1948–49 editorials say the capitalist system is rotting to pieces and doomed to destruction,

they say nothing that suggests the end will come in the next few years. By contrast—in addition to the general effect of the statements summarized above—the 1949–50 editorials indicate that the capitalist world is speedily approaching its demise: "This world is no longer moving but flying headlong to its end." If it resorts to war to restore its position, that war will lead "to the full and final destruction of capitalism." "History has already pronounced its sentence" on the world of capitalist slavery.

Analysis of corresponding editorials for 1945–46, 1946–47* and 1947–48 yields similar contrasts between 1949–50 and earlier dates. The 1947–48 editorials show some heightening of world-revolutionary perspectives in comparison with adjacent years, but remain far below 1949–50. Thus the editorials with which *Pravda* greeted the new half-century reinforce the evidence, supplied by other recent pronouncements (Embassy's A–1266 Dec. 28 [2]), to the effect that the Kremlin is now more expansively confident than at any time since the end of World War II. And since the war left the USSR in far stronger relative position than ever before, it seems probable that the present time marks the highest point of Soviet optimism since the early days of the Revolution.

KIRK

**Pravda* for Dec. 31, 1946, is not available at the Embassy. [Footnote in the source text.]

[2] Not printed.

511.6121/1–550 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

RESTRICTED Moscow, January 5, 1950—3 p. m.

33. INP Sanders.[1] USIE received today following letter dated December 31 from "Mezhdunarodnaya Kniga", (Soviet International Book Agency).

"In accordance with instructions received from Soyuzpechat, the central administration for circulating and mailing press matter, we have the honor to inform that beginning January 1 Soyuzpechat shall accept magazines from and settle accounts directly with the publishing section circulating the *Amerika* magazine. At the same time in accordance with the request of Soyuzpechat we inform you that henceforth, beginning January 1, 1950, the unsold copies of *Amerika* magazine, shall not be paid for and will be returned to the publishing section".

Embassy comments follow shortly.[2]

KIRK

[1] Mrs. Marion K. Sanders was Chief of the Magazine Branch of the Division of International Press and Publications and editor of *Amerika*.

[2] The Embassy sent its comments on this state of affairs and its suggestions, particularly in telegrams 157 and 158 from Moscow on January 18; neither printed.

761.00/1–1050 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

Moscow, January 10, 1950.

69. Soviet Press January 10 carries following decree Presidium Supreme Soviet USSR concerning conduct elections Supreme Soviet USSR:

Connection with expiration February 10, 1950 authority, Supreme Soviet USSR second convocation,[1] on basis Article 54 constitution USSR providing new elections designated by Presidium Supreme Soviet USSR not later than two months after date expiration authority Supreme Soviet USSR, and in accordance Article 72 "regulations concerning elections Supreme Soviet USSR" providing day elections Supreme Soviet USSR be announced not later than two months before elections and elections be held on nonworking day, Presidium Supreme Soviet USSR decrees:

Elections Supreme Soviet USSR be held Sunday March 12, 1950.

KIRK

[1] For documentation on the previous election on February 10, 1946, of the Supreme Council of the Soviet Union, see *Foreign Relations*, 1946, vol. VI, pp. 673–674, 688, 690–696.

711.21/1–1050 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

Moscow, January 10, 1950.

70. *Pravda* January 9, *Izvestiya* January 10 print New York Tass [1] item headed "sharp deterioration economic position US" on report economic advisers. Washington Tass item on President's economic message Congress,[2] total one column. Treatment same line as given State of Union message [3] emphasizes drop production, growth unemployment and strikes, deficit federal budget, housing shortage, inadequacy Social Security, natural resources, education, health programs, drop wages and farm income, increase military expenses, decline exports.

KIRK

[1] Telegraph Agency of the Soviet Union, the official communications organization of the Soviet Government.

[2] The President's annual economic report was given to the Congress on January 6. For the text of the message, see *Public Papers of the Presidents of the United States: Harry S. Truman, 1950* (Washington, Government Printing Office, 1965), pp. 18–31. The message and complete report were printed as *The Economic Report of the President Transmitted to the Congress, January 6, 1950* (Washington, Government Printing Office, 1950).

[3] This address was delivered in person before a joint session of the Congress on January 4. For the text, see *Public Papers of the Presidents of the United States: Harry S. Truman, 1950*, pp. 2–11.

761.00/1-1350 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

Moscow, January 13, 1950.

101. January 13 Soviet press carries following decree Presidium Supreme Soviet USSR: "Concerning application death penalty to traitors, spies, sapper-saboteurs.

In view statements received from national republics, trade-unions, peasant organizations, cultural workers concerning necessity changing decree on abolition death penalty so that decree does not apply traitors, spies, sapper-saboteurs, Presidium Supreme Soviet USSR decrees:

1. As exception to decree Presidium Supreme Soviet USSR of May 26, 1947 concerning abolition death penalty,[1] to permit death penalty as highest form punishment for traitors, spies, sapper-saboteurs.

2. Present decree effective from day publication."[2]

KIRK

[1] *Foreign Relations*, 1947, vol. IV, p. 564.

[2] In despatch 173 from Moscow on February 17, 1950, not printed, the remark was made that "the restoration of the death penalty fits very readily into the vigilance campaign." In this regard "the current vigilance campaign is only a new peak in a continuing effort to minimize Soviet citizens' contacts with foreigners that has been going on for years. Among earlier landmarks in this field are the 1947 decrees on divulging state secrets and dealing with foreigners. It is perhaps more than a coincidence that 1947 also witnessed the launching of the Cominform and other indications of a general revolutionary offensive." (861.56/2-1750)

511.6121/1-1850 : Telegram

The Secretary of State to the Embassy in the Soviet Union

SECRET WASHINGTON, January 21, 1950—3 p. m.

59. Dept believes general line of action proposed Embtels 157 and 158, Jan 18, 1950[1] best approach, subject modifications as herein outlined.

Amb or Counselor in aggressive approach to FonOff shld bring charge that Sov agencies concerned in distribution *Amerika* mag have failed achieve efficient distribution.[2]

Using Mezhdunarodnaya Kniga Dec 31, 1949 letter as starting point, it shld be stated *Amerika* is and always has been received with local interest, that there is no evidence of the Sov auths having made it available throughout the nation. As substantiation, Emb may use fact prior to the closing of the Amer ConGen at Vladivostok,[3] *Amerika*

[1] Not printed; see the second footnote 2, p. 1077.

[2] The Embassy had already informed the Department of suspected trouble with the distribution of *Amerika* in despatch 786 from Moscow on December 19, 1949; *Foreign Relations*, 1949, vol. V, p. 684.

[3] On the closure of this consulate general in 1948, see *ibid.*, 1948, vol. IV, pp. 1024 ff.

was not seen available for public purchase in that city; similarly, Amer and other visitors to places outside of Moscow have been surprised to note the complete absence of *Amerika* mag on sale at local outlets comparable with those which display the magazine for sale in Moscow. Other appropriate evidence re this situation available to Emb may be used.

FonOff should be requested to bring about rectification above unsatisfactory circumstances.

In addition, FonOff can be discreetly informed that recent demand for banning *Soviet Information Bulletin* in US school libraries is symptom of temper US public opinion, which would react strongly to elimination *Amerika* mag.

Simultaneously but not prior to above approach to FonOff, letter shld be delivered to Mezhdunarodnaya Kniga along following lines, commencing with 1) introduction and 2) quotation contained second and third paras Embtel 158,[4] 3) inefficiency distribution *Amerika* mag is apparent from following evidence (as cited in approach to FonOff recommended above) 4) it will be appreciated if the Emb can receive information regarding the data utilized by Mezhdunarodnaya Kniga in arriving at the position taken by it in this matter. Specifically, the Emb will be grateful if Soyuzpechat will be good enough to furnish figures of monthly sales of the magazine during past year, of the per cent of sales outlets (such as kiosks) through which *Amerika* is regularly offered for sale. (Emb pls note deletion request for info re returns *Amerika* to Soyuzpechat in 1950.) 5) Emb will appreciate being informed of progress made in development of more efficient distribution system.

As Emb will realize from above, Dept wishes to lift the question immediately to the FonOff level at the same time it is being considered with Mezhdunarodnaya Kniga restricting issue at this moment largely to topic inefficient distribution, and omitting pro tem questions price, specific retaliation and basic agreements re *Amerika*. Dept views Sov actions as attempt commence attrition process; it seems best place question on plane where Sovs will experience difficulty in justifying administrative obstructions.

Emb authorized its discretion take action as outlined herein.

Report.[5]

ACHESON

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[4] The quotation particularly involved was the last paragraph quoted from the letter of December 31, 1949 from Mezhdunarodnaya Kniga as given in telegram 33 from Moscow on January 5, 1950, p. 1077.

[5] Ambassador Kirk reported in telegram 318 from Moscow on January 30, not printed, that the Department's views on *Amerika* had been told as instructed by Minister-Counselor Walworth Barbour during a call that day upon Georgy Filippovich Saksin, chief of the United States section of the Ministry of Foreign Affairs of the Soviet Union. Saksin agreed to investigate the matter. (511.6121/1–3050) The letter as outlined to be transmitted to Mezhdunarodnaya Kniga was delivered simultaneously, and its text was sent to the Department in telegram 319 on January 30; not printed. (511.6121/1–3050)

793.02/1-2150 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

SECRET Moscow, January 21, 1950—5 p. m.

219. Embassy has given most careful consideration to request contained Deptel 8, January 5 [1] for views and recommendations regarding reciprocal restrictive treatment Soviet bloc officials.[2]

Seems to us that problem, and consequent possibilities obtaining principal objective of ameliorating current conditions or deterring imposition further restrictions (particularly in the satellites, China, etc.) by resort to reciprocal sanctions, involves assessment fundamental Soviet concept diplomatic relations between East and West under existing or evolving circumstances. Bearing in mind historic Russian and Slavic suspicion foreign emissaries to which is now added the avowed hostility toward the free world of the progressively resurgent imperialism of the present Soviet dictatorship, obtention in the USSR of general operating conditions for foreign representatives comparable to accepted international free world standards looms as a major undertaking. A measure of the depth of Soviet opposition to be overcome may be reflected in Vishinsky's [3] remarks at last GA taking pride in fact that Soviet secretiveness had materially confused Hitlerite military planning. Principal impact this attitude on diplomatic missions is felt in relation to movements officials, size staffs, availability information, etc., where Soviets see security risks. Less essential in eyes Soviets to containment mission activities probably are such matters as housing, customs arrangements, etc., where situation now doubtless attributable as much to immediate reaction atmosphere animosity and gross Soviet inefficiency as to deep-seated estimate conflict of interests.

Essential magnitude of problem based our appraisal its engrained origins does not, however, in our view suggest that it should not be faced nor that under given circumstances some alleviation of restrictions now in force might be obtained or at least the imposition of additional ones deterred by reprisal. Broadest approach might be effort to convoke within UN framework international body to formulate comprehensive code to govern rights and immunities diplomatic and consular officials, and it is submitted that recent developments in China would appear likely to make free world peoples particularly receptive such project this time. On level direct reprisal, believe maximum

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[1] Not printed.

[2] For more detailed documentation on the general policies and problems in the relations of the United States with Eastern Europe and the Soviet Union, see pp. 1 ff. Concerning the problems of the reduction in the size of staffs and the restrictions on travel movements of official representatives, see also the documentation on relations with the Eastern European satellite countries.

[3] Andrey Yanuaryevich Vyshinsky was Minister of Foreign Affairs of the Soviet Union and at times led the Delegation of the Soviet Union at the United Nations.

achievable in all probability might be improvement living conditions mission personnel with appreciably less likelihood alteration for better of possibilities for execution mission's observational activities.

With regard to nature and method application reprisals, if instituted, presumably imposition of restrictions reciprocally comparable in all respects to those in effect in Soviet bloc would necessitate legislation. It can be argued that the submission of request for broad legislative authority to be exercised at the President's discretion would have the advantage of placing the issue squarely before the country and obtaining Congressional support for funds to implement restrictive program. On the other hand, from standpoint effect on Soviets, Embassy inclines feel appearance such action as major policy determination likely magnify Soviet estimate extent engagement its prestige and consequently harden Soviet attitude. On balance, therefore, Embassy believes that at outset effort should be made confine countermeasures to those matters concerning which administrative action can be taken with minimum official publicity but with maximum practical effect.

View divergencies between treatment various respects several satellites Embassy does not believe uniform countermeasures on Soviet bloc basis can be contemplated but that counterrestrictions should be applied reciprocally light measures in force USSR and each satellite separately. At same time seems desirable consult other free nations with view their taking parallel counteraction were [*where?*] their missions similarly restricted.

As regards Soviet Union under present conditions, counterrestrictions on (1) housing, if feasible, (possibly through requesting Soviet Embassy personnel to reside in D.C.) and (2) free customs entry, and (3) the imposition of exit visa requirements, would seem have best chance achieve ameliorative effect. Countermeasures (1) as to travel outside D.C. and (2) denying automobile drivers licenses to Soviet officials might deter further restrictions here. In taking measures this nature believe should be made clear orally to Soviets that action predicated uncooperative attitude by Soviets in providing housing Moscow (have obtained no additional housing since 1945, six additional apartments have been promised for year and half) and willingness remove as soon as appropriate Soviet remedial steps taken. As to customs, Department aware quota system now in effect USSR. Presume we would have to determine in advance whether Soviet Embassy imports US exceed our customs duty quota level here which amounts about $150,000 annually.

Perhaps desirable conclude note caution. Department will, of course, appreciate that, with Soviet regime currently feeling its oats, impossible entirely exclude danger that imposition any direct counter-

measures could result additional restrictions here seriously compromising present marginal operation Embassy.

Whatever decision urge that prior to initiation of any contemplated direct action, proposed measures be communicated Embassy for study and further recommendation.

Service attachés generally concur this telegram, although would stress desirability institution this time such countermeasures as are determined to be feasible and appropriate, and request pass defense.

KIRK

611.61/1–2450 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State [1]

SECRET Moscow, January 24, 1950—6 p. m.

259. Embtel 243 January 23.[2] Vishinsky's reply to Secretary of State (Embtel 209, January 21 [3]) indicates by its violence that a sensitive spot was hit hard but extreme insolence of language is one more symptom of way in which Soviets are becoming increasingly rash as they seemingly think their position strengthens and ours weakens. If Embassy correctly reading signs, as long as this trend continues we may expect more and more rough treatment, less and less respect for common courtesies or for American public opinion. This is not merely conceit of bumpkin risen to power, who rejoices in offending because he thinks he is at last in position to do so with impunity; it is part of later phases of 90-degree turn Stalin has presumably planned for years, ever since that threat of Nazism forced him into alliance with Western democracies: Once he got Germany and Japan safely out of picture he swung ever more sharply away toward his orginal direction of world revolution based on USSR; in first years it was worth-while not to drop all veils at once, in order to confuse free world and delay its reaction; recently, however, veils have been dropped more and more, and Soviet press now speaks frankly of revolution, which testi-

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[1] This telegram was passed on to London, Paris, and Frankfort at 3:15 p. m., on January 24.

[2] Not printed. The Embassy commented that Vyshinsky's "almost hysterical denials of Soviet plans to annex northern Chinese areas . . . couched in abusive language" was impressively unconvincing. It pointed out that Vyshinsky by "quoting at length from Secretary's speech . . . contributed significantly to circulation this portion Secretary's remarks in areas behind curtain. This type gratuitous aid generally is considered so reprehensible that most tortuous means are adopted to avoid it, and it is rare that Soviet reader sees actual criticism by Western leader of Soviet policy." (611.61/1–2350)

[3] Not printed. Secretary of State Dean G. Acheson had made a speech on the "Crisis in Asia—an Examination of United States Policy" before the National Press Club in Washington on January 12. The text is in Department of State *Bulletin*, January 23, 1950, pp. 111–118.

fies to Stalin's belief that with China won and an economic crisis believed under way he no longer need placate US or try to mask his intentions, but rather has more to gain now by driving straight for his real goal.

This new rashness was reflected in Stalin birthday articles,[4] Soviet press New Year editorials, Malenkov's November 6 speech,[5] etc., and it has also been expressed in action, e.g. in treatment of our officials and other citizens in China, Hungary, Bulgaria, Czechoslovakia; in recent threats of Chou En-lai [6] against French; in Chinese seizure of US, French and Dutch property, and Chinese attitude to recognition by Western Powers and even by India. UN walkout, though hardly deserving to be called rash, nevertheless fits in larger picture.

KIRK

[4] For commentary on the celebration of the 70th birthday of Iosif Vissarionovich Stalin, Generalissimo and Chairman of the Council of Ministers of the Soviet Union, see *Foreign Relations*, 1949, vol. v, pp. 683–687 *passim*.

[5] Georgy Maximilianovich Malenkov, who was a secretary of the Central Committee of the Communist Party of the Soviet Union, a member of the Politburo and Orgburo, and a Deputy Chairman of the Council of Ministers, delivered the main speech in the celebration of the 32d anniversary of the October revolution. See *ibid.*, pp. 671 and 681.

[6] Chou En-lai was Chief of the State Administrative Council and concurrently Minister of Foreign Affairs of the People's Republic of China.

761.00/1–2450 : Airgram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

CONFIDENTIAL Moscow, January 24, 1950.

A–88. Embassy's A–6, Jan. 4. The optimism of recent Soviet pronouncements raises the question: how are the people themselves feeling about life and about the regime? First-hand evidence is scarcer than ever, but a few tentative inferences may be drawn from the general state of things as observed from the Embassy.

The life of the majority continues to be a hard one by Western standards, but it has seldom been much easier, materially speaking. It is impossible to say whether many feel disgruntled by the contrast between daily reality and the boasts of Soviet propagandists or by the slowness of improvement since the war compared to what they may have dreamed. Perhaps they are only resigned and apathetic. In any case the average citizen is probably too absorbed in getting the bare necessities of life to be greatly moved either by Soviet triumphs, domestic or foreign, or by the threat of war which is still dinned in his ears. The standard of living seems to have improved in some respects for city dwellers; there is a greater amount and variety of consumer's goods, and this probably has some psychological effect even though price reductions may have been mostly offset by various

devices for reducing purchasing power. Some Embassy servants have remarked that times are getting better, and it is a fact that people in the streets are visibly better dressed than a year ago. The Embassy has less opportunity to observe the countryside, but is inclined to believe that the standard of living has merely held its own there. How far the campaign to bridge the gap between city and country, by such things as spreading electricity and radio facilities in the country, has had practical results is not known.

On the other hand, there is some reason for inferring rather marked improvement in the morale of the privileged classes, whose incomes permit them to take proportionately greater advantage of the consumer's goods which are increasingly available, and whose position doubtless gives them a greater feeling of identification with the accomplishments of Party or State. For them the claim of *Pravda*'s New Year editorial (echoing Stalin in 1936) that "life has got better, life has got gayer" may have been not very far from the truth.

As memories of foreign lands fade (in the case of people who got abroad in the war) and communication with the outside world is reduced nearer and nearer to zero (e.g. by jamming VOA), a Soviet citizen has less basis for comparing his own lot with that of others, except what he is told by Soviet media. However much he may discount the latter—and it is far from certain that he usually does discount it when it refers to conditions abroad—the fact remains that he has very little in his present experience to make him envious of life elsewhere, and therefore critical of his own. On the contrary, the hypnotic flood of propaganda depicting the superiority of the Soviet system and the misery and degradation of "capitalism" must produce a cumulative impression on all but the strongest and most antagonistic minds. One point that is constantly repeated is that the Soviet economy has mastered the secret of steady progress, uninterrupted by crisis. Thus those elements of the population who are aware of any improvement in their lot probably expect continued improvement in the future, unless war comes (see below).

The extent to which the idealistic components of Bolshevik propaganda—the approach to full communism in the USSR, the ultimate triumph of "peace" and socialism throughout the world—appeal to the people remains problematic, but they doubtless have at least some effect on many, and a considerable effect on the young.

Probably much stronger and more general is the appeal to national pride made by the substantial signs of success in Soviet domestic and foreign affairs. Just as many Russian *émigrés* were visibly elated by Russian prowess in the last war, so a Soviet engineer or executive who perhaps pays only lip service to communist ideals will nevertheless probably derive considerable satisfaction from the general prestige and power of his country, especially as reflected in the flattering

mirror of the Soviet press. The most urgent postwar industrial reconstruction has apparently been accomplished; the five-year plan will probably be fulfilled ahead of time; great strides are allegedly being made in many fields, including atomic energy; the USSR is, on any account, one of the two "super-powers" of the present world, and the acts or statements of its leaders produce echoes around the world which are sedulously amplified in *Pravda.*

Such appeals to national pride probably are all the more potent because Russian patriotism, an unusually strong sentiment, has been crossed for centuries by a prevalent conviction of Russian backwardness and inferiority as compared with the West. The new sense of world leadership is therefore probably enhanced by its novelty. It was illustrated by two Soviet engineers recently encountered by travelling diplomats: they spoke of the vast size and resources of the USSR and said that it was going to replace the US as the world's greatest power, just as the US had replaced Britain.

This brings up the question of war. Despite the strident crescendo of the "peace" drive in the press, the Embassy has the impression, gained chiefly from trips, American correspondents, and the general "feel" of Moscow, that people are less worried about the actual imminence of war than they were a year ago. Perhaps this is because war has so far failed to come, or because they feel the power of the USSR has grown to such an extent that it is less likely to be challenged.

Another factor in morale is the pressures exerted on the individual by various State and Party agencies. While the press echoes recurrent drives for more productive effort, better discipline, sharper self-criticism, it is difficult to gage the resulting psychological stresses, if any, or the extent to which ideal or other satisfactions may compensate for them. With regard to the harsher forms of pressure, though the foreign press uses the term "purge" at the slightest excuse, the signs of anything really deserving the name have at least not been evident locally, in the form either of numerous disappearances or of general nervousness manfested by the public. Prominent persons who have been scolded for this or that and dismissed from their jobs often turn up later in some apparently respectable capacity. Perhaps the recent restoration of the death penalty presages a change in this regard, but for the time being the country has the air of having settled down under controls which were thoroughly tightened after the war ended.

On the whole, therefore, it seems likely that the Soviet people—the privileged groups especially, the workers less, the peasants least if at all—reflect in varying degree the optimism of their rulers, and that morale is better now than at any time since the last war began.

This general conclusion can only be superficial, however, because it leaves untouched what may be going on invisibly in the depths of this

great people, unknown alike to their rulers and to foreign observers. It offers little basis for predicting what different groups would do in the event of some particular kind of war, or which way they would turn, short of war, if they had any alternative. Statements of Soviet defectors, which come to the Embassy's attention from time to time, often contain estimates of popular disaffection which are startling in their magnitude, but which the Embassy is in no position to verify. It can only say that, since its own observations are restricted to the surface of Soviet life, what is inferred from that surface can be quite at variance with what really lies beneath.

KIRK

761.00/1–2550 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State [1]

CONFIDENTIAL Moscow, January 25, 1950—1 p. m.

262. Pospelov's [2] speech on anniversary Lenin's death [3] (Soviet press January 22) given authority by presence Stalin and most of Politburo, was generally similar in tone and content to major Soviet and Cominform [4] pronouncements during past several months. Meeting was party rather than state occasion—even Mao Tse Tung was referred to by *Pravda* merely as head of Chinese Communist party. Theme of speech, as of other press material on Lenin's anniversary, was triumph of Lenin's revolutionary ideas, overwhelmingly confirmed by course of world history during first half of 20 century and now moving with accelerated pace toward final victory over capitalism everywhere. Speech and accompanying material thus continued aggressive mood and frankly revolutionary purpose previously noted (A–1266 December 28, A–6 January 4 [5]). These traits stand out still more if speech is read in comparison with corresponding Lenin anniversary speeches for past three years.

Re Soviet internal affairs, Pospelov reviewed economic and cultural achievements during quarter-century since Lenin's death, and repeatedly exclaimed, "If Lenin could see with his own eyes . . ." age old backwardness of country is gone forever, and USSR has become

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[1] This telegram was relayed to London, Paris, and Frankfort at 2:20 p. m. on January 25.

[2] Pëtr (Peter) Nikolayevich Pospelov was an outstanding theoretician of the Communist Party, the Director of the Marx-Engels-Lenin Institute, and a member of the editorial board of *Bolshevik*, the theoretical organ of the Central Committee of the party.

[3] Vladimir Ilyich Lenin (Ulyanov) was the leader of the Bolshevik revolution of October 1917 and Chairman of the Council of People's Commissars of the subsequent Soviet Government until his death on January 21, 1924.

[4] The Communist Information Bureau was founded in September 1947 (sometimes considered to be the successor of the Communist International).

[5] Airgram A–1266, December 28, 1949, not printed.

model for other land. "There is no force in world which could stop irrepressible movement of Soviet people toward Communism!"

Re external affairs, Pospelov paid no attention to international relations in ordinary sense, but spoke instead from party point of view about progress and prospects of world revolution, devoting space to the gathering "economic crisis" in west, victory of "great Chinese revolution", and growth of organized "peace front" with special reference to France, Italy and Germany.

Quoting *United States News and World Report* on rearmament program as an artificial support our economy, he asserted that such measures could retard but not prevent fury "implacably advancing crisis," that they prepare conditions "for very deepest and most destructive crisis." This was indicated, he said, by fact that sharp economic decline began in USA in autumn 1948, when armaments expenditures were higher than anytime since war. He also spoke of "profound and hopeless disorder" of capitalist economies of Europe, and sufferings and anger of workers.

Pospelov cited Chinese revolution as proof that "imperialism is no longer in position to suppress a popular revolution with armed force if millions of toilers enlisted in struggle." Quoted Lenin to effect that liberation of people of east by "revolutionary war" is now perfectly practicable, notwithstanding advance military technology possessed by their European oppressors. (*Bolshevik* Nov. 1 1950, in editorial on Lenin singled out four eastern countries in particular: "With arms in their hands, peoples of Vietnam, Burma, Indonesia, Malaya, are fighting for their independence.") Pospelov's treatment of "peace front" plainly indicated its function as revolutionary organization (A–41, January 16 [6]), intended to help win world for socialism as well as peace. Frankly presenting doctrine of "coexistence of two systems" as part of "Stalinist strategy of peace," he admitted that Communist parties are direct peace movement and claimed that "forces of peace" are increasing in strength, vigilance and "state of mobilization".[7] His ringing conclusion made clearer than ever that "peace in all the world" is intended as a revolutionary battle cry.

Pospelov attacked Tito [8] in Lenin day speech last year; this year ignored him completely.

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[6] Not printed.

[7] In despatch 83, in which the Embassy sent a translation of this speech from Moscow on January 27, Pospelov was reported as saying: "The great Stalinist strategy of peace which proceeds from the precepts of Lenin is winning more and more partisans. . . . The Stalinist strategy of peace and the security of the peoples reckons on the prolonged co-existence and peaceful competition of two systems and proceeds from the possibility of the peaceful collaboration of the socialist and capitalist system[s]." (861.424/1–2750)

[8] Marshal Josip Broz Tito was President of the Council of Ministers and Minister of National Defense of the Federal People's Republic of Yugoslavia.

That world victory is expected rather soon (A–1266 December 28) was implied by statement with which Pospelov began peroration: "We are living in epoch in which has occurred that acceleration of March of world history which Lenin dreamed of and predicted" same thought expressed at close of *New Times* January 18 editorial on Lenin: "Under guidance of comrade Stalin great cause on [*of*] Lenin will be brought to victorious end!" This presumably means finishing job in Stalin's lifetime.

KIRK

661.00/1–2550: Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State [1]

SECRET Moscow, January 25, 1950—3 p. m.

267. Issue January 11 Department's *Current Foreign Relations* [2] mentions British Government as believing Soviets "easing tension western Europe" and shifting attention Far East and Southeast Asia (PP 1 and 5), attitude which we feel can easily be carried too far.[3] Similarly, French Embassy counselor now leaving Moscow presumably reflected certain current French views when he stated that recent Far East developments have confirmed his long standing conviction that Soviets primarily interested in Orient, whereas situation non-Communist Europe may now be regarded as "solid".

In contrast such views, Embassy has endeavored emphasize, as in Embtel 3062 December 9,[4] that such evidence as is available points to Kremlin anticipation of favorable developments Western Europe next few years and lessening its activity there unlikely more than relative. Embassy expects more dramatic Communist moves in Far East than in Europe during 1950, but considers it erroneous to assume that Soviets "attention" to Far East implies material Soviet neglect of Western Europe.

KIRK

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[1] This telegram was relayed to London, Paris, and Frankfort at 4:50 p. m. on January 25.

[2] This was a classified weekly publication designed for background information.

[3] In telegram 69 from London on January 5, not printed, the Embassy had reported that the head of the Northern Department of the British Foreign Office, Geoffrey Wedgwood Harrison, thought that the "Soviets are not simply resting on oars in West because of optimistic belief in early [economic] crisis but because they have little alternative after major set-backs of 1949, viz., Titoism, North Atlantic Treaty, end of airlift and formation Federal Government Germany." He also had the opinion that "Communist gains in China came with very little Soviet effort, although USSR was quick to exploit them, especially propagandawise." (661.00/1–550) The Embassy subsequently reported in telegram 486 from London on January 27, not printed, that the Foreign Office Policy Commission had met and "has accepted Harrison's preliminary views" and that the Foreign Office "thinks major Soviet set-backs in Western Europe in 1949 compelled them to reduce pressure there. This is looked upon as tactical stalling and Soviets regarded likely to push again whenever opportunity offers." (661.00/1–2750)

[4] *Foreign Relations*, 1949, vol. v, p. 681.

461.0031/2-150

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

CONFIDENTIAL Moscow, February 1, 1950.

No. 91

SOVIET TRADE POLICY RE WESTERN EUROPE

The Soviets are still seeking to build up their foreign currency balances in Norway, Italy, and other western European countries, apparently delaying purchases in expectation of better prices in the future, judging by recent statements of Norwegian and Italian diplomats at Moscow.

In a conversation on January 29, 1950, Mr. Tommaso Mancini, Commercial Counselor of the Italian Embassy at Moscow, exchanged impressions re Soviet trade policy with Mr. Johan Melander, chief of the Norwegian trade delegation now at Moscow, an officer of the American Embassy taking part in the discussion.

Mr. Mancini remarked that the Soviets were building up large credit balances in lire, due to the fact that they were selling much more to Italy than they were buying. This was not the fault of the Italian government. The Soviets were not closing deals for purchases, claiming that prices were too high. Though the trade agreement was in terms of dollars, no dollars were payable by Italy against the trade deficit. The funds were held in lire, protected against devaluation of the lira.

Mr. Melander said that the Soviets were showing the same desire to build up credits abroad in their negotiations with the Norwegians and with all other western European countries with which they had negotiated. He showed alert interest in questioning Mr. Mancini as to whose fault it was that the Soviets were not buying more in Italy.

Comment: These statements check with information from other sources, including French, British, and Belgian diplomats here.

It appears reasonable that the Soviets hope to obtain lower prices by waiting. Perhaps they believe their own propaganda about a deepening economic depression in the West, which they claim started in 1948 and will lead to an economic crisis. In such a case prices would fall and they could get more for their money. Probably the prices of Soviet exports of grain, timber, and other raw materials would fall even more than prices of manufactured goods in the West, judging by past depressions. This would help explain the Soviet pressure to sell such raw materials now.

If it is true that they believe their own propaganda about depression in the West, this would be a significant factor in Soviet policy. It would favor a waiting policy, in the belief that time was on their side.

Such views may be held in high Soviet circles, judging by recent trade negotiations. Soviet policy concerning these negotiations was fairly obviously decided on high levels, since the actual negotiators apparently had to refer all important questions to higher authority.

However great caution must be exercised in reaching conclusions. Trade negotiations are only a single facet of general Soviet policy and many other factors are important in addition to those considered here.

Please pass to Armed Forces.

For the Ambassador:
SCOTT C. LYON
Second Secretary of Embassy

761.00/2–150

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

RESTRICTED

Moscow, February 1, 1950.

No. 96

Current Soviet propaganda on the forthcoming elections to the Supreme Soviet thus far conforms to previously-established patterns as regards both the mechanics of the elections and the related propaganda themes. The elections are being played up as an expression of the solidarity of the people behind the Government and the Party and considerable stress is laid as always on socialist competitions—increased labor effort—in honor of the event. To quote from *Pravda*'s lead editorial of January 21:

"The electoral campaign now taking place for the elections to the Supreme Soviet USSR is characterized by a new upsurge of political and labor activity. The elections are a new bright demonstration of the Party's close ties with the people, of the moral-political unity of the Soviet people, of its solidarity behind the Party of Bolsheviks, around the great Stalin".[1]

The Soviet Government regularly utilizes anniversaries and special events as an excuse to demand increased efforts from its workers and according to one Soviet contact who is himself a factory worker considerable overtime work is being demanded today. The elections provide the third recent opportunity to make such demands, the others being the anniversary of the October Revolution[2] and Stalin's birthday.[3] It seems likely that the prolonged speed-up campaign is related to the drive for preterm fulfillment of the five-year-plan.

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[1] Iosif Vissarionovich Stalin, Generalissimo, and Chairman of the Council of Ministers of the Soviet Union.

[2] See *Foreign Relations*, 1949, vol. v, pp. 669 and 672.

[3] In regard to the celebration of Stalin's 70th birthday, see *ibid.*, pp. 683, 686, and 687.

On the political side, agitation points (*agitpunkty*) have been established and copies of the electoral laws and other literature of a political nature are being widely distributed. Since foreign as well as domestic themes are discussed at the agitation points and in the press, it is not surprising to find the theme of economic "crisis" in the capitalist world coming in for a large share of attention.

Although the results of the elections are a foregone conclusion and the press is already heralding the anticipated triumph of the bloc of Party and non-Party candidates, the usual enormous amount of time and energy is being thrown into the preelection campaign. For example, the "aktiv" of the Maly Theater in Moscow has undertaken to conduct broad agitation-propaganda work among the voters of its electoral precinct, to deliver "regularly" lectures and speeches at the agitation point, devoting particular attention to young voters. The theater collective body (*kollektiv*) will give 10 concerts and has appealed to all theaters and cultural workers of the capital to take an active part in the election campaign.

While an effort is usually made to see that each and every citizen is contacted by an "activist" or agitator who is prepared to answer any questions about the elections and their significance, there is evidently no compulsion involved in this connection: according to one Soviet source, the unorganized segments of the population—housewives, etc.—are informed where they can attend lectures or, if this proves inconvenient, are asked to name a time when an agitator can call on them. The majority may find it politically expedient to make some sort of effort to show their interest in the elections but apparently can be "too busy" to attend lectures or receive agitators. Few will fail to vote, however.

For the Ambassador:
WALWORTH BARBOUR
Minister-Counselor

411.6131/2-250

The Secretary of State to the Embassy in the Soviet Union

SECRET WASHINGTON, February 2, 1950.

No. 7

The Secretary of State informs the Officer in Charge that the Department has been considering the advisability of abrogating the existing United States Commercial Agreement with the USSR,[1] which because

[1] For the renewal of the commercial agreement between the United States and the Soviet Union on July 31, 1942, and its continuation in force thereafter unless superseded by a more comprehensive commercial agreement, subject to termination on six months' written notice by either government, see *Foreign Relations*, 1942, vol. III, pp. 758–765.

of its one-sided nature, conferring no advantages on the United States, and because our export controls are at variance with the provisions of the Agreement, is believed to be disadvantageous to this country. It has been suggested that abrogation of the Agreement, in order to offset the unfavorable propaganda effects of such action, might be coupled with an offer to negotiate a broader Treaty of Commerce and Navigation with the USSR during the six months period before the termination becomes effective.

The main lines of the initial thinking as well as the essential facts in this matter are set forth in the two papers enclosed, entitled "Abrogation of US–USSR Commercial Agreement" and "Possible Reactions to American Proposal".[2] The Department invites the Embassy's careful consideration of the pros and cons of the proposed course of action, summarized in these papers, and would appreciate the Embassy's comments and recommendations at an early date.[3]

[File copy not signed]

[Enclosure]

SECRET

Abrogation of US–USSR Commercial Agreement[4]

The Problem:

Should the United States terminate its commercial agreement with the USSR?

Background:

The United States and the USSR concluded a commercial agreement in 1937[5] under which the Soviet Government, which controls the export and import trade of the Soviet Union, undertook to increase substantially the purchase of American products, while the Government of the U.S. undertook on its part to accord to the commerce of the Soviet Union unconditional most-favored-national treatment. This agreement was renewed on an annual basis until July 31, 1942, at which time it was renewed for an indefinite period subject to termination on six months' notice by either government.

In the earlier years of the agreement the Soviet Union presented separate notes, along with each renewal, committing itself to a mini-

[2] The second paper, which was in part a commentary on the first, is not printed. It also considered possible reactions to the American proposals in the Soviet Union, the United States, and Europe.

[3] See the Embassy's despatch 233 from Moscow on March 3, p. 1117.

[4] This paper was prepared by the Commercial Policy Staff of the Office of International Trade Policy with John F. Buckle as the drafting officer of record.

[5] For documentation on the conclusion of the first commercial agreement between the United States and the Soviet Union on July 13, 1935, see *Foreign Relations*, The Soviet Union, 1933–1939, pp. 192–218; and for its renewal on August 4, 1937, see *ibid.*, pp. 405–440.

500-421—80——70

mum total of purchases in the U.S., varying from $30,000,000 to $40,000,000 during the forthcoming year. These notes were discontinued, however, following the 1941 [6] and 1942 renewals, with the result that the post-war obligations of the agreement fell solely upon the U.S.

In addition, Soviet actions following the war have been such that the U.S. has felt it necessary to impose export controls on all goods going to Europe (including the USSR), and it is general information, although not officially admitted, that the principal effect of these controls has been to restrict very severely exports to the Soviet Union and its Satellites. These restrictions, as Mr. Molotov [7] pointed out on May 9, 1948, are completely at variance with the MFN section of the Agreement reading: "Similarly, natural or manufactured products exported from the territory of the United States of America and consigned to the territory of the Union of Soviet Socialist Republics shall in no case be subject with respect to exportation and in regard to the above-mentioned matters, to any duties, taxes, or charges other or higher, or to any rules or formalities other or more burdensome, than those to which the like products when consigned to the territory of any third country are or may hereafter be subject."

The only security exception which the Agreement contains is not sufficiently broad to cover our action in prohibiting exports to the Soviet Union of certain items, normally considered to be of a commercial character, while we at the same time permit their export to other countries. The exception reads as follows:

"Nothing in this Agreement shall be construed... to prevent the adoption of such measures as the Government of the United States of America may see fit with respect to the control of the export or sale for export of arms, ammunition or implements of war, and, in exceptional cases, all other military supplies."

Hence the U.S. finds itself in the difficult position of being party to an agreement which imposes obligations without granting compensatory privileges. In addition, conditions have so changed that the U.S. no longer is able to live up to said obligations and is vulnerable at any time to charges of failing to honor its solemn commitments.[8]

Alternative Courses of Action:

1. Since the US–USSR commercial agreement is "subject to termination on six months' written notice by either government", and since the agreement is of no value to the United States as it now stands, notice could be given of official termination on the basis of the present one-sidedness of the obligations, with a statement added that the termi-

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[6] For the renewal on August 2, 1941, see *Foreign Relations*, 1941, vol. I, pp. 914–925.

[7] Vyacheslav Mikhailovich Molotov was at this time Minister of Foreign Affairs of the Soviet Union.

[8] For documentation on the trade policy of the United States toward Eastern Europe and the Soviet Union, see pp. 65 ff.

nation is not intended to affect trade between the two countries in any way, but merely to remove from the records an agreement which has become outmoded with the passage of time.

2. Notice of termination could be given with a paragraph included stating: "The Government of the United States affirms its willingness to discuss at any time with the Government of the USSR the commercial relations between the two countries on the basis of the program and policies outlined in Article VII of the Lend-Lease Agreement between the two countries.[9] The United States Government also wishes to emphasize that the present termination in no way affects current trade relations between the Soviet Union and the United States. The benefits of most-favored-nation treatment, including the generalization of tariff reductions granted by the United States pursuant to trade agreements entered into under the authority of the Trade Agreements Act,[10] will continue to be extended to the Soviet Union pending subsequent negotiations."

3. Notice of termination could be given, coupled with an offer to negotiate a broader Treaty of Commerce and Navigation during the six-month period before the termination became official.

4. The problem could be ignored until a further attack, based on the agreement, against United States trade discrimination was made. Then the United States could terminate the agreement, saying it had long recognized the one-sidedness of the arrangement, but had preferred to permit its continuance as a gesture of friendship toward the Soviet Union. But the Communists could not expect both to take advantage of the commercial privileges afforded them unilaterally in the agreement as they had been doing, and then attack the United States because it felt it necessary, in view of Soviet aggressive actions, to deny the USSR certain goods deemed to be of war potential significance.

Discussion:

The principal objection to a renunciation of the agreement at the present time stems almost entirely from political considerations. Previously, fear of the stoppage of manganese and chrome ore exports by the Soviets was a factor which weighed heavily in the decision to not take such action. The USSR, however, has already reduced shipments of manganese to this country, and urgent steps, in anticipation of a complete cessation, are being taken by appropriate U.S. agencies to insure adequate supplies of manganese from other more reliable sources. Such sources for chrome ore already exist, and commercial considerations are, and have been, the main motivation of both the U.S. and USSR in chrome transactions. The blow to the United States program of stockpiling strategic materials which the Russians might previously have delivered in retaliation to the termination of the agreement would not now be as severe, and in the foreseeable future could be discounted entirely. It should also be noted that the

[9] For text of the agreement signed in Washington on June 11, 1942, see Department of State Executive Agreement Series No. 253, or 56 Stat. (pt. 2) 1500.

[10] Originally approved June 12, 1934; 48 Stat. 943, and subsequently renewed and amended several times.

Soviet Union requires no overt reasons for completely stopping trade with the U.S. whenever such an action is desired; in fact such a course would be more in keeping with their basic philosophy than their present unusual policy of operating under a very negative trade balance.

Political repercussions might still be of major importance, however. The agreement is of no more value to the Soviet Union than it is to the United States commercially, for the Russians are not receiving unconditional most-favored-nation treatment, and what purchases they are permitted to make could be consummated with equal facility if the agreement did not exist. It is obvious, however, that the Communists would not permit the occasion of the ending of the agreement to go by without leveling barrages of propaganda against the United States, most probably in line with the general policy of accusing the U.S. of preparations for war, and, more specifically, of preparing for even further discrimination against trade with the Soviet Union and the countries of Eastern Europe.

While such accusations probably would fall on fallow ground in most countries, if properly phrased they would receive attention not usually granted Communist communiqués because of a tendency prevalent in Western nations, particularly the U.S., to compare 1939 with the present day. Commentators are certain to point out the precedent of U.S.-Japanese relations wherein the Japanese in the summer of 1940 were given notice by the U.S. of the termination, according to its six-months clause, of a Treaty of Friendship, Commerce and Navigation dating from 1911.[11] The Treaty became officially void in January, 1941, and this was followed by a freezing of Japanese assets in this country in July 1941 [12]—a procedure, concerning the assets of the USSR, under active consideration today among government agencies.

On the basis of the foregoing discussion, it is felt that Course of Action (1) should not be attempted because of the propaganda disadvantage in which it would leave the United States. We would have made an overt move which would generally be interpreted as antagonistic. Regardless of timing, the Soviets would be engaged either in spreading cold-war peace feelers or threatening new aggression, and our termination would act either as cold water or gasoline, depending upon the situation. Under almost no conceivable circumstances would the United States' termination be accepted on its purely economic basis. Course (2) combines the difficulties of (1), plus bringing the ITO and the Soviet Union into closer juxtaposition than would be good for the ITO.

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[11] Notice of termination of the treaty of February 21, 1911 (for text, see *Foreign Relations*, 1911, p. 315) was given by the United States on July 26, 1939, and the treaty expired on January 26, 1940. On the abrogation of the treaty, see *ibid.*, Japan, 1931–1941, vol. II, pp. 189–198.

[12] For documentation on the freezing of Japanese assets on July 26, 1941, see *ibid.*, pp. 266 ff.

Course (4) leaves the United States in a vulnerable position both now and in the future regarding its policies on international trade. Other governments are currently supporting us against discrimination charges levied by the satellite countries, but it is generally evident that they are not convinced that we are free of guilt. By continuing in force an agreement pledging nondiscrimination (with no valid security exception) and then rather openly denying equality to the Soviet Union, the United States is setting a precedent which logically could be recalled by other countries in the future when their immediate aims called for temporary measures contrary to obligations previously assumed.

Recommendation:

Course of Action number three should be implemented. The counter-offer of a Treaty of Commerce and Navigation would be a more important gesture of conciliation than the termination would be of aggravation. The entire procedure could be presented by the United States as yet another effort on its part to achieve a better understanding with the USSR. While admitting that goods of war potential have not been going to the Soviet Union, the U.S. might state that there is no good reason why such items should be sent another power which is constantly making provocative statements against this country. Increased trade through usual commercial channels, on the other hand, might lead to closer contacts between the peoples of the two nations and greatly allay many of the mutual suspicions which are doing so much to aggravate the present tension. The former antiquated commercial agreement did nothing to foster such a program; a Treaty of Commerce and Navigation would open specific avenues down which friendly commerce in growing amounts could travel.

The most immediate danger in such a course—Soviet acceptance—could be ruled out by the phrasing used in the treaty. For example, the draft Treaty of Commerce and Navigation between the U.S. and the USSR, prepared by the Department in 1946,[13] has as its first article "Entry and activities of foreign nationals". Paragraph one of said article reads: "The nationals of either High Contracting Party shall be permitted to enter the territories of the other High Contracting Party, and shall be permitted freely to reside and travel within such territories." Article XI, Religious, intellectual and mortuary activities, declares in paragraph 2 "the principles of freedom of the press and of free interchanges of information" by the High Contracting Parties, including guarantees to nationals and corporations of freedom of transmission to the public of material for radio and publication, must

[13] The negative attitude toward and disbelief in the worth of such a proposed treaty in 1946 was trenchantly expressed by the then Counselor of Embassy in the Soviet Union, George F. Kennan. See *Foreign Relations*, 1946, vol. VI, pp. 728–731, 745–748, 762.

be adhered to. Obviously, the USSR could not sign a treaty incorporating such articles without a complete about face of not only its international but internal policy.

Should the Soviet Union, in spite of the wording of the proposed treaty, still accept it, and should the negotiations which would follow indicate that the Russians intended to honor the commitments, a basic objective of U.S. foreign policy would have been achieved and an entire rephrasing of U.S. strategy toward the USSR be necessary. Regardless of acceptance expectations, however, an exception similar to Article XIX of the General Agreement on Tariffs and Trade [14] should be included in the proposed treaty so as to exempt from the Treaty both present and future export controls deemed necessary by the United States. Again it should be emphasized that the Soviet Union's acceptance is felt to be impossible.

In summation, if the present Commercial Agreement between the United States and the USSR is allowed to continue, the United States gains nothing from it and is constantly open to charges of discrimination. While the Soviet Union could still level accusations against United States export policy as being in violation of the principles and purposes of the UN Charter, as has been done by Poland in the General Assembly, and as will be presented by Czechoslovakia at the forthcoming meeting of GATT, the current United States policy is to minimize such charges when they are presented and to justify the steps taken as in the interests of United States national security. But termination of the Agreement would remove the onus of direct treaty violation.

The termination of the agreement must be carefully timed and combined with a thoroughly planned propaganda campaign by the United States; and there are risks inherent in any action involving the USSR and the United States. But it is felt that the simultaneous presentation of the offer to negotiate a broader treaty of Commerce and Navigation will take the sting out of the announcement of termination of the Commercial Agreement, do away with the most overt instance of United States commercial policy duplicity, and perhaps bring forth a propaganda victory from what otherwise undoubtedly would be a losing engagement.[15]

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[14] For the text of the General Agreement on Tariffs and Trade, signed at Geneva on October 30, 1947, see 61 Stat. (Parts 5 and 6). Article XIX is in part 5, pp. A58–A60.

[15] The second report, which is not printed, closed with the following summation: "If the US offers a CN treaty to the USSR, it assumes many risks which would be avoided if the present commercial agreement were simply terminated. However, it is believed these risks would not be great if the proposal were presented properly, and the counter-offer mitigates many of the ill-effects the termination involves. In addition, it affords a good opportunity to answer the growing Communist clamor for increased East-West trade. Since this challenge will probably have to be responded to eventually, it is better to play the positive and negative aspects of our Russian trade policy off against each other and remove the direct, and possibly hysterical, attention which would accompany either proposal if made separately."

661.00/2-850

Memorandum Prepared in the Department of State

SECRET [WASHINGTON,] February 8, 1950.

RECENT SOVIET MOVES

CONCLUSIONS

I. In seeking to interpret Soviet tactics, it is always useful to remind ourselves that during the course of the war, the Kremlin concluded that the US would emerge as the citadel of the non-Soviet world and therefore the primary enemy against which the USSR would of necessity have to wage a life-and-death struggle. Stalin's election speech of 1946 [1] was an open declaration of hostility and since that time the USSR has given every sign that it neither intends to abandon the struggle, other than on its own terms, nor pause in its prosecution. In the choice of tactics, the USSR has shown a willingness to employ at any given moment any maneuver or weapon which holds promise of success. For this reason there appears no reason to assume that the USSR will in the future necessarily make a sharp distinction between "military aggression" and measures short of military aggression. In its decisions, it is guided only by considerations of expediency. As the USSR has already committed itself to the defeat of the US, Soviet policy is guided the simple consideration of weakening the world power position of the US. This approach, on the one hand, holds out for the USSR the possibility that it can achieve success over the US without ever resorting to an all-out military assault. On the other hand, it leaves open the possibility of a quick Soviet decision to resort to military action, locally or generally.

II. In the aggregate, recent Soviet moves reflect not only a mounting militancy but suggest a boldness that is essentially new—and borders on recklessness, particularly since in the present international situation great stakes are involved in any USSR move, and any move directly or indirectly affects the US and risks US counter action. Nothing about the moves indicates that Moscow is preparing to launch in the near future an all-out military attack on the West. They do, however, suggest a greater willingness than in the past to undertake a course of action, including a possible use of force in local areas, which might lead to an accidental outbreak of general military conflict. Thus the chance of war through miscalculation is increased.

III. The several recent Moscow moves should be interpreted as arising both from Soviet eagerness to exploit the opportunities presented by the expansion of the Soviet empire, particularly in the Far East, and from Soviet anxieties over the problem of imperial control,

[1] *Foreign Relations*, 1946, vol. VI, pp. 694–696.

especially over Communist China. This problem, already pressing, is intensified by the very successes which have been recently achieved. The national deviation of Tito, we know, was a severe reverse for the Kremlin. Nationalist deviation on the part of Communist China would threaten the structure of the Soivet imperialist system. Similarly, national deviation elsewhere would reverse Soviet gains in Eastern Europe, jeopardize Soviet opportunities in Southeast Asia and Moscow's use of foreign Communist Parties as instruments of Soviet foreign policy.

Also involved, though less directly and urgently, is Moscow's continuing concern over Western counter actions in Europe. The immediate effect of these Western actions has been to bar Communist expansion in Western Europe and to commit American power to the defense of Western Europe. Moscow may well discount in part the lasting nature of these effects, but this would not alter Moscow's overall concern, particularly in view of its phobia for magnifying dangers. The Kremlin consequently is under constant pressure to counter US moves, real or imagined, as part of the basic maneuvers required in its political warfare with the US.

IV. In assuming the risks involved in exploiting its present opportunities and in dealing with its imperial problems. Moscow appears to be animated by a general sense of confidence. The Kremlin has good reason for somewhat increased confidence. It has developed an A-bomb; it has achieved the prewar level of production and other solid economic successes; it has made progress in consolidating its control over the European satellites; and it has apparently effected an increase in the prestige of the Communist Party among the Russian people. Also contributing is an apparent Moscow belief that an economic crisis is actually in the incipient stage in the West and that this and succeeding crises will contribute to an eventual Soviet triumph. It should be stressed, however, that Soviet actions make clear that Moscow's faith in the inevitable disintegration of capitalism is not a passive faith in automatic historical evolution. Instead it is a messianic faith that not only spurs the USSR to assist the transformation of the Marxist blueprint into a reality, but also gives the Soviet leaders a sense of confidence that in whatever particular course they follow they are riding the wave of the future.

V. With respect to particular objectives, the present pattern of Soviet moves is characterized, on the one hand, by constant attention to consolidation of previous gains and, particularly, the establishment of safeguards against dangers—real or imagined, external or internal—to these gains; and on the other hand, by concentration on soft spots, seizure of every opportunity to move into vacuum areas or to exploit completely the momentum of a successful development. Since the present pattern allows the USSR the same flexibility in the choice

of particular tactics that has characterized its postwar strategy generally, it offers no dependable indication as to particular future moves. Thus, for example, the USSR may, without breaking the pattern, either remain in or withdraw from the UN, revive the issue of the occupation of Berlin or maintain the *status quo*, force a break in relations between the satellites and Western states or continue the present precarious arrangements. It can be assumed, however, that in any given situation a course will be adopted in consequence of a careful Kremlin weighing of the opportunities offered as against the deterrents involved. This offers a fairly dependable means of estimating particular steps which may be taken during coming weeks in regard to such areas as Indochina, Berlin, Austria, the UN, Korea, etc. Such estimates are in process of being prepared.

Beyond this the current pattern already seems to indicate with reasonable certainty that:

(*a*) The USSR considers this a favorable and necessary moment for increased political pressure, and, when feasible, taking aggressive political action against all or most soft spots in its periphery;
(*b*) Every effort will be made to establish and maintain effective Soviet control in China;
(*c*) Southeast Asia will be a primary area of Soviet-Communist action;
(*d*) Moscow's insistence on unquestioning subservience by all Communist Parties will be intensified, regardless of unfavorable local repercussions;
(*e*) The UN and other media for regular diplomatic contact will be treated with increasing cynicism.
(*f*) The insulation of the satellites from the West will be further intensified.

[Here follows a summary listing of recent Soviet and Soviet-satellite moves.]

711.5611/2-1150 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

SECRET Moscow, February 11, 1950—1 p. m.

474. Soviet press so far silent re H-bomb and specifically related US discussions (Depcirtel February 3, 5 p. m.[1]). Occasionally carries brief item supporting Soviet position re "prohibiting" A-bomb, growth "peace movement" or "war hysteria US" which evidently based US agitation H-bomb policy,[2] but avoids all reference to prospects US possession such bomb. Thus *Izvestiya* February 11 in regular section

[1] Not printed.
[2] For documentation on the foreign policy aspects of the development of atomic energy by the United States, see vol. I, pp. 493 ff.

devoted "peace movement" mentions petition to Truman signed Thomas Mann,[3] Frederick Schuman[4] *et al* favoring direct negotiations with USSR save world from "atomic catastrophe".

Embassy's Soviet contacts too few and unrepresentative permit estimate extent awareness H-bomb has leaked to Soviet people via VOA or other sources. Assume this gradually happening, but so far not direct evidence. Believe subject unlikely arouse much popular excitement here (Embtel 2516, October 5, 1949[5]).

KIRK

[3] Thomas Mann, German author and novelist resident in the United States at this time.

[4] Frederick L. Schuman was a professor at Williams College.

[5] *Foreign Relations*, 1949, vol. v, p. 664.

861.181/2-850

Memorandum for the President by the Secretary of State

SECRET [WASHINGTON,] February 14, 1950.

With reference to the Department's memorandum of February 2[1] and our conversation concerning Mrs. Robert Tucker's inability to obtain a Soviet exit visa,[2] the Department sent a telegram to Ambassador Kirk at Moscow[3] requesting his suggestions for helping Mrs. Tucker. His reply has now been received.[4]

The Ambassador agrees that there is little chance direct representations will produce results in the foreseeable future. However, he thinks it conceivable that Stalin or some other top Soviet official, when in a relatively expansive mood, might be persuaded to make the gesture of granting exit visas in all six cases of this type. He feels that a collective approach would minimize the risk to Mrs. Tucker.

In the event you wish to pass this information on to Mr. Charles Tucker,[5] you may wish to warn him, in order to avoid raising his hopes

[1] Not printed.

[2] Robert C. Tucker had married a citizen of the Soviet Union in the summer of 1946 while he was an attaché on temporary assignment in the Embassy in the Soviet Union. She had been included in a list of Soviet wives of American citizens for whom exit visas were being sought: *Foreign Relations*, 1946, vol. VI, pp. 808–809. See also *ibid.*, 1949, vol. v, footnote 7, p. 638.

[3] Telegram 104 to Moscow on February 3, 1950, not printed. President Truman had inquired whether anything further could be done to assist Mrs. Tucker. (861.181/2-350)

[4] Telegram 427 from Moscow on February 7 is not printed. Its substance is reflected in this memorandum. (861.181/2-750)

[5] Mr. and Mrs. Charles Tucker were the parents of Robert C. Tucker. They had been seeking a visa to enter the Soviet Union to visit their son but had been advised not to press the effort lest it might upset the currently peaceful existence of the Robert Tuckers in Moscow. The son agreed with this recommendation.

unduly, that the Department does not share Ambassador Kirk's optimistic view that a high Soviet official in an expansive mood might be persuaded to make the generous gesture of releasing Mrs. Robert Tucker.

Ambassador Kirk also suggests that you may wish to make a direct confidential approach to Prime Minister Stalin for all six visas on humanitarian compassionate grounds. However, I presume you would not feel the present moment to be the proper time for a direct approach to Stalin.

The Ambassador adds that he will continue to seek and exploit all possible opportunities for action on Mrs. Tucker's behalf.

DEAN ACHESON

511.6121/2–1450 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State [1]

RESTRICTED PRIORITY Moscow, February 14, 1950—6 p. m.

528. Embtel 319, January 30.[2] Following is text in translation of letter received from Ramsin,[3] Soyuzpechat, dated February 11.

Mezhdunarodnaya Kniga directed to us your letter of January 30 concerning distribution of magazine *Amerika* in 1949.

In accordance with request expressed in letter, we inform you that magazine *Amerika* is sold in more than 70 cities of Soviet Union, including all largest centers of country. In every one of these cities outside Moscow magazine *Amerika* is on sale from 3 to 50 kiosks of Soyuzpechat, depending on size of city.

600 copies of each number of magazine *Amerika* are sent regularly to City of Vladivostok for sale.

Thus, your assertions that distribution of magazine *Amerika* has been ineffective, that measures have not been taken for distribution of magazine in whole country, and that magazine was absent from sale outside Moscow, are without foundation.

Adjoined, I send you information on unsold copies remaining from magazine *Amerika* for year 1949.

Enclosure indicates following unsold copies *Amerika:* 25–35 [4] during 1949; 25, 1063; 26, 1844; 27, 5954; 28, 8143; 29, 12337; 30, 15129; 31, 19469; 32, 17165; 33, 21208; 34, 26130; 35, 23020.

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[1] This telegram was relayed to Frankfort at 2:57 p. m. on February 14.
[2] Not printed; but see footnote 5, p. 1080.
[3] Pëtr (Peter) Borisovich Ramsin was the head of Soyuzpechat.
[4] These figures indicate the issue number of *Amerika*.

Present situation: Issue 35 on sale December 25, paid for January 10. 36 on sale since February 2, not paid for. Issue 37 delivered Soyuzpechat February 7. Soyuzpechat presumably expect begin turnbacks on issue 36.

KIRK

611.61/2–1550

Memorandum by the Director of the Office of Eastern European Affairs (Yost)[1]

SECRET [WASHINGTON,] February 15, 1950.

BASIC NEGOTIATIONS WITH THE SOVIET UNION

In order to determine whether it is worth while to enter into negotiations with the Soviet Union with a view to a general settlement, it would be useful, first, to list the chief issues outstanding between East and West which would necessarily be dealt with in such a settlement, second, to indicate the position of the two parties on each of these issues and, finally, to estimate whether or not there is a reasonable likelihood of these positions being reconciled. If it appears that such a reasonable likelihood exists in the case of most of the principal issues, the prompt commencement of negotiations for a general settlement would clearly be called for; but if it should appear that, given the essential interests of the West and the fixed dogmas of the East, there is little likelihood of accommodation on the great issues, it would seem preferable to continue the present practice of negotiating each issue separately in the appropriate forum, in the UN or in conjunction with our Allies, for to commence a negotiation for a general settlement and to fail might easily be worse than not to negotiate at all.

There are discussed briefly below the principal issues which divide East and West at this time. It should be emphasized that any settlement, in order to be successful in ending, or substantially moderating, the cold war, would have to resolve at least a majority of these issues, and those the most important.

[Here follows discussion of the principal issues, covering about five and one-half pages. The issues were grouped under these

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[1] This memorandum was directed to Llewellyn E. Thompson, Jr., Deputy Assistant Secretary of State for European Affairs. In a covering note Charles W. Yost wrote that his paper was an outline of the approach which should be taken "in dealing publicly with the demand that we negotiate a general settlement with Soviets." While not intended for use in this form, it could serve "as a basis for a speech by the Secretary or in other public presentations of the Department's point of view." He preferred to see spelled out "the manifest impossibility of reconciling by negotiation the position we must assume on the main issues in protection of our vital interests with the position the Soviets have assumed and will continue to assume until obliged by the facts of life to lower their sights."

headings: 1. Cooperation with the UN: A. Control of Atomic Energy, B. Disarmament of Conventional Weapons, C. UN Security Forces; 2. North Atlantic Treaty and Military Aid Program; 3. European Recovery Program; 4. Cominform; 5. Iron Curtain; 6. The Satellites; 7. Peace Treaties: A. Germany, B. Japan, C. Austria; 8. Independence of Peripheral States.]

The inescapable conclusion of the above catalogue would appear to be that, on most of the principal issues involved, the Soviets would not at present make those concessions which would be required to create a feeling of trust and confidence on our part. On the other hand, we could not go far toward meeting the Soviet position on these issues without abandoning either our vital interests or those of our Allies and friends. There would be no assurance, moreover, that such abandonment would in fact strengthen peace rather than merely whetting the Soviet appetite for further concessions.

The question nevertheless arises whether, as urged by a number of public figures here and in Western Europe, we should make one further effort to arrive at an over-all settlement with the Soviets before reconciling ourselves to the long and arduous strain of a cold war ever threatening to become hot. The principal argument for making this further attempt is not that it would make any real impression on the Soviets but that it might help to convince waverers in the West that we have exhausted every possible means of reaching a peaceful solution. As indicated in the opening paragraphs of this memorandum, however, a general negotiation which failed to produce a real settlement might well be more dangerous than no negotiation at all.

If the negotiation broke down, it would accentuate the fear of early war; if the negotiation produced a partial or superficial agreement which actually failed to settle the chief issues, the effect might be merely to lull the West into a sense of false security of which the Soviets could take advantage. If this sense of security should cause the US to relax its present efforts the nations of Western Europe might well feel obliged in their turn to compromise with the Communists. Thus the Soviets, who have more effective means than we of controlling their allies, could have achieved their objective of isolating the US.

The fact is that many of the major issues between East and West are being discussed, or can easily be discussed, in existing forums in the UN or elsewhere. The wisest strategy would appear to be to make it completely and repeatedly clear that we are ready and willing to discuss any and all of these issues in the appropriate forums, that we have presented for the solution of most of these issues workable plans which have won wide international support, and that it is now up to the Soviet Union, if it does not feel able to accept these plans, to present workable alternatives which will also receive general inter-

national support. If, however, it should be deemed necessary to make some additional gestures to satisfy public opinion, it would be possible to reintroduce into the appropriate forums our plans modified in such non-essential particulars as seemed appropriate. Such a presentation of this unpropitious time might, however, harden rather than soften the respective positions.

Aside from the question of making clear to Western public opinion our readiness to negotiate, the more important problem of adopting a posture in international affairs, which will produce a Soviet willingness to negotiate, might be stated succinctly in six propositions, of the validity of which it would be the objective of our policy to convince the Kremlin. These six propositions would be as follows:

1. *That the limits of peaceful Communist expansion have been reached, at least for some time to come.* This would mean holding firmly the line around the present peripheries of the Soviet sphere and providing the necessary military, political and economic aid so that the numerous "soft spots" on our side of the periphery are not absorbed by Communist infiltration and subversion. The most critical of these soft spots at this time is South East Asia.

2. *That expansion by force of arms would be too dangerous to risk.* This involves both the rearmament and, at least to a sufficient degree, unification of the West.

3. *That the West does not intend to launch a war against the Soviet Union.* In view of the Marxist-Leninist dogma that the capitalist powers are sooner or later bound to launch an attack on the Socialist fatherland, it is particularly important to avoid unduly provocative gestures which might confirm any predisposition to believe that this attack is about to take place.

4. *That there will be at least in the near future NO capitalist economic crisis of major proportions.* It is of vital importance that we demonstrate domestically, in Western Europe and in the Western world generally, that a free economy is able to produce and distribute generously and continuously. A serious economic depression would obviously be an enormous boon to the Soviets.

5. *That internal political and economic stability within the Soviet sphere is not assured.* The more the Soviets can be preoccupied with political and economic difficulties at home, as they were during the period between the two World Wars, the less likely it is that they will be able to give vent to their aggressive inclinations. In this connection it behooves us to do whatever may be possible to encourage Titoism among the satellites and to hinder the military-economic consolidation and development of the Soviet sphere.

6. *That we are at all times ready to negotiate earnestly and honestly on any and all of the outstanding issues between East and West and will welcome sincere Soviet proposals for the settlement of these issues.*

These are, of course, the policies which we are now pursuing. It is desirable, however, that they be firmly and frequently restated as the positive aspect of our relation to the Soviets and to the problems created by Soviet ambitions and delusions.

861.181/2–1750

The Ambassador in the Soviet Union (Kirk) to the Acting Director of the Office of Eastern European Affairs (Reinhardt)

SECRET Moscow, February 17, 1950.

DEAR FRED: I appreciate the information contained in your letter of February 3, 1950,[1] with regard to Mrs. Tucker, and the general problem of exit visas for Soviet wives. In accordance with your request, I enclose a résumé of the representations which the Embassy has made in this connection from 1945 to date.[1]

While no action has been taken since 1948, you will recall our telegram #2192 [*2912*] of November 22, 1949, and the Department's reply #906 of December 9.[2]

In the Embassy's telegram #427 of February 7, 1950,[3] we expressed the view that there seems little likelihood that further representations on the merits or action on the basis of reciprocity might produce results at this time. We similarly endorsed the Department's feeling that representations on behalf of Mrs. Tucker alone would risk aggravating her situation, and that the most appropriate means of minimizing that risk appears to us to be to continue to regard the problem as a collective one.

Unfortunately, I cannot suggest any course promising to be fruitful at the moment other than the possibility, which I am sorry to say seems against the odds, of a direct confidential approach by the President to Stalin. No doubt the desirability of such a communication has already been considered. I might emphasize, however, that, if undertaken, it would appear important from the standpoint of stimulating a favorable response that its confidential nature be stressed.

You are, of course, aware of the present situation in regard to these wives. While their position is a dead-end street as things stand, they are nevertheless living temporarily relatively well and apparently without Soviet molestation, at least in the cases where the husbands are still in Moscow. Consequently, the possibility that representations may jeopardize them is, as indicated above, an important factor in any consideration of steps to be taken on their behalf.

Sincerely yours, ALAN G. KIRK

[1] Not printed.
[2] Telegram 2912 from Moscow on November 22, 1949, is not printed, but see footnote 1, *Foreign Relations*, 1949, vol. v, p. 682.
[3] Not printed; but see footnote 4, p. 1102.

Editorial Note

An article entitled "Is War with Russia Inevitable? Five Solid Arguments for Peace," written by the Counselor of the Department

of State, George F. Kennan, was printed in the *Reader's Digest* for March 1950, and has been reprinted in the Department of State *Bulletin*, February 20, 1950, pages 267–271, 303.

861.413/2–2150

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

CONFIDENTIAL Moscow, February 21, 1950.
No. 193

For the Department's information, Father Brassard, who arrived in Moscow January 20, 1950,[1] has not as yet succeeded in obtaining registration with the Soviet authorities nor permission to perform services in the Church of St. Louis or on other premises here. The Embassy has intervened orally and also has communicated in writing with the Ministry of Foreign Affairs, but Father Brassard's status is still in dispute.

Immediately following his arrival, Father Brassard in company with Father Thomas,[2] his French colleague who has been officiating at certain specified hours at the Church of St. Louis, approached the responsible official in charge of the church requesting permission to perform services there for his Catholic co-religionists. He was informed that such permission could not be given as he was not registered with the Bureau for Visas and Registration of Foreigners (OVIR). Accordingly, Father Brassard called on the Ministry of Cults. He was informed by the latter, however, that as a foreigner he should apply at the Ministry of Foreign Affairs.

In the circumstances, on the grounds that Father Brassard is in Moscow in accordance with the Roosevelt–Litvinov agreement of November 1933,[3] the implementation of which was in question, Minister-Counselor Barbour called with Father Brassard on Mr. Saksin,[4] Head of the American Section of the Ministry of Foreign Affairs on January 26. A copy of a memorandum covering that conversation has been transmitted to the Department but is also enclosed for convenient reference.[5] It will be noted that Mr. Saksin endeavored to maintain the thesis that Father Brassard had been permitted to come to Moscow on the basis of official status as Chaplain to the Em-

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[1] Father John Odillon Arthur Brassard was a member of the Assumptionist Order. He had left New York by airplane on January 15, 1950, for Helsinki and thence by railroad to the Soviet Union.

[2] Father Jean de Matha Thomas was a French Catholic priest.

[3] This agreement was contained in an exchange of letters on November 16, 1933, between President Franklin D. Roosevelt and the then People's Commissar for Foreign Affairs of the Soviet Union Maxim Maximovich Litvinov signed in Washington at the time of the recognition by the United States of the Soviet Union, *Foreign Relations*, The Soviet Union, 1933–1939, pp. 29–33.

[4] Georgy Filippovich Saksin.

[5] Not printed.

bassy, and inquired whether space could be made available for religious services on Embassy premises. The Embassy took issue with the Soviet contention concerning Father Brassard's status and declined to make space on Embassy premises available. Finally, Mr. Saksin agreed to investigate the issue further and to inform the Embassy expeditiously.

Subsequently, Father Brassard continued his negotiations with the Bureau for Visas and Registration of Foreigners (OVIR) and was informed that he could not be registered as residing with Father Thomas since the building at that address is scheduled for demolition or major overhauling. In the light of that information and inasmuch as Father Brassard's original entry permit is due to expire on February 19, the Embassy, for purposes of record, transmitted a note, No. C–75 of February 2, 1950,[6] to the Ministry of Foreign Affairs, requesting the Ministry's assistance in providing hotel quarters or other suitable residence accommodations. In its reply No. 14 of February 9,[6] which may also have been intended to constitute a response to the Embassy's oral representations, the Ministry confirmed the inability of the Soviet authorities to register Father Brassard at Father Thomas' residence and suggested that he reside on Embassy premises. That note further referred to Father Brassard as "priest of the Embassy" and inferred that his registration is the responsibility of the Administration for Services to the Diplomatic Corps.[7] In a further communication to the Ministry, No. 18 of February 11, 1950,[6] the Embassy took issue with the Ministry's implications concerning Father Brassard's official status, and in stating that the Embassy is requesting an hotel room for Father Brassard, sought the Ministry's assistance in that connection. Copies of the two notes from the Embassy and a translation of that from the Ministry are also enclosed. There has been no response to the Embassy's No. 18 nor has Intourist[8] replied to a letter of February 13 transmitting the request for an hotel room.

It may be noted that during these negotiations, the French Embassy has concurrently been endeavoring to obtain further quarters for Father Thomas and it seems probable that an apartment in a new building into which he and Father Brassard may move will be available very shortly, thus removing the ostensible grounds for the Soviet attitude.

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[6] Not printed.

[7] Burobin, an official organization closely affiliated with the Ministry of Foreign Affairs of the Soviet Union.

[8] The All-Union Society for Foreign Tourism in the Soviet Union, the official travel agency.

500–421—80——71

The Embassy will continue to endeavor to assist Father Brassard with a view to obtaining Soviet implementation of its 1933 agreement.

For the Ambassador:
WALWORTH BARBOUR
Minister-Counselor

661.00/2-2150

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

RESTRICTED
No. 198

Moscow, February 21, 1950.

Enclosed are condensed translations of two articles [1] that appeared in *Soviet State and Law* No. 12, December 1949 on the general subject of Soviet foreign policy and its conduct as interpreted publicly by the policy-makers themselves. The first article, "The Great Leader and Teacher", is the abbreviated transcript of a report delivered on December 19 at a general meeting of officials of the Ministry of Foreign Affairs by A. Ya. Vyshinsky, present head of the Ministry. As the title and date of delivery suggest, the report was part of the general celebration of Stalin's birthday. The author and the circumstances under which the report were delivered give more than usual authority to the views which Vyshinsky expressed.

Of particular interest were the frank admission that the long-range aim of Soviet foreign policy is world revolution, the claim that the USSR possesses not only the secret of atomic energy but the atomic bomb as well, and the review of Bolshevik strategy and tactics as basic to the conduct of a policy of world revolution. The October Revolution is exhibited as an example of how this policy should be conducted, with diplomacy considered subject to the "laws and principles" of this strategy and tactics. "It is impossible," averred Vyshinsky, "successfully to conduct internal and foreign policy without mastering to perfection the art of the strategic and tactical struggle on the basis of Leninist-Stalinist strategic and tactical principles. . . ."

Despite these frankly revolutionary views, Vyshinsky evidently found no inconsistency in concluding that

> "Comrade Stalin has repeatedly pointed to the peaceful character of Soviet foreign policy, the clear aims and tasks of which cannot threaten and in reality do not threaten anyone in the world".

The Embassy believes that this recorded speech by the Soviet Minister of Foreign Affairs should be given broad distribution, in-

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[1] Not printed.

cluding, if possible, dissemination by the press. For this reason, it is requested that reproduction be handled by the Department.

F. I. Kozhevnikov's [2] article "J. V. Stalin on the Fundamental Principles of Contemporary International Law", which is the second enclosure, is an interesting summary of previously stated concepts of international relations.

For the Ambassador:
WALWORTH BARBOUR
Minister-Counselor

[2] Kozhevnikov was described as a doctor of juridical sciences.

611.61/2–2250 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

SECRET Moscow, February 22, 1950—9 p. m.

625. For the Secretary. I have not so far commented, and it may be superfluous for me to do so now, on the evidently increasing public and official discussion in the US, UK etc., concerning the desirability of some further high level effort to achieve a *modus vivendi* with the Soviets, including the possibility of a modification of our position on atomic energy. However, it may be pertinent for me to say that there has been no development or indication here in Moscow in any way suggesting that the present is more propitious for a basic settlement than heretofore.

It seems to me that your statement to the effect that there can be no worthwhile agreement in the absence of an appreciable area of common interest contains the nub of the difficulty. The Soviet machine is in full cry along classic Leninist-Stalinist lines of world revolution, its "peace offensive" constituting the principal vehicle for activist revolutionary advance in varying degree on all fronts. Our democratic institutions have no common denominator with these forces of evil and cannot, in my opinion, be expected to achieve an area of common interest until the sum of the free world's collective security attains sufficient stability and promise of permanency to raise appreciable question in the minds of the Soviet leaders as to the possibility of realization of Leninist-Stalinist world objectives.

In the meantime ostensible compromise can only be to the Soviets' advantage and unrealistic speculation as to possible vagaries in the Soviet continuity and firmness of purpose tends inevitably to impress the Soviet strategists as symptomatic of wavering free world determination.

KIRK

761.13/2–2650 : Telegram

The Chargé in the Soviet Union (Barbour) to the Secretary of State

Moscow, February 26, 1950.

676. Soviet Press February 26 carries decree Supreme Soviet USSR ordering separation naval forces from Ministry Armed Forces and formation All-Union Naval Ministry USSR. Ministry Armed Forces renamed War Ministry. Admiral I. S. Yumashev named Naval Minister.[1]

BARBOUR

[1] Admiral Ivan Stepanovich Yumashev was the Commander in Chief of the Naval Forces of the Soviet Union, 1947–1951.

411.61231/2–2850

The Embassy of the Soviet Union to the Department of State

[Translation]

AIDE-MÉMOIRE

On January 29, 1950 at the International Airport in New York the Customs authorities carried out an inspection of the personal baggage of diplomatic couriers of the Ministry of Foreign Affairs of the USSR, Messrs. I. G. Titov and S. F. Kopeikin. On February 9, 1950 at the same airport the Customs authorities carried out an inspection of the personal baggage of diplomatic couriers of the Ministry of Foreign Affairs of the USSR, Messrs. Zharkov and Afanesev.

The Embassy considers that inspection of the personal baggage of Soviet diplomatic couriers by the Customs authorities of the USA contradicts the established principle of reciprocity. At the same time the Embassy directs the attention of the Department of State to the fact that the Soviet Customs authorities strictly maintain the principle of reciprocity and do not inspect the personal baggage of diplomatic couriers of the USA entering or departing from the USSR.[1]

WASHINGTON, February 28, 1950.

[1] The Department of State informed the Embassy in the Soviet Union in telegram 170 on February 28, not printed, of the receipt of these complaints and requested a telegraphic report about the present practices of the customs authorities of the Soviet Union in regard to the examination of the personal baggage of United States diplomatic couriers. (601.6111/2–2850) In the reply in telegram 730 from Moscow on March 2, not printed, the Embassy stated that such personal baggage was not now inspected and strongly recommended that the Treasury Department "instruct New York Customs officers refrain pointless annoyance Soviet couriers this fashion." (116.32/3–250)

861.13/2–2850 : Telegram

The Chargé in the Soviet Union (Barbour) to the Secretary of State [1]

PRIORITY Moscow, February 28, 1950.

704. Translation Foreign Office circular note dated February 28 just received reads:

Termination rationing which took place same time as currency reform in December 1947 [2] and important lowering of consumer goods prices carried out three times 1947–50 has led to still further strengthening of ruble, to increase in its purchasing power and to increase in its value in relation foreign currencies.

At same time in western countries depreciation of currencies has taken and continues take place which has already led to devaluation European currencies. As for USA, continuing rise in living costs and inflation which continues on that basis about which responsible US Government representatives have often made statements have also led to substantial lowering of dollar's buying power.

In connection with above outlined circumstances, ruble's buying power has become greater than its official rate.

On basis of above, USSR Council Ministers has decreed following ruble rate in relation foreign currencies from March 1, 1950: four rubles to one US dollar instead of present 5.30 rate; 11.20 rubles per pound sterling instead 14.84; and correspondingly in relation other foreign currencies.[3]

USSR Council Ministers has decreed that as an exception temporarily to preserve regime whereby foreign diplomatic representatives in USSR may buy rubles with foreign currencies at discounted rate within prescribed limits, existing discount rate is altered and for period from March 1, 1950 through June 1950 discount rate for diplomatic representatives in USSR for exchange in Gosbank USSR of foreign currencies for rubles is established as follows: 6 rubles per US dollar; 16.80 rubles per pound sterling; 115.83 per 100 Swedish crowns; 137.21 per 100 Swiss francs.

From July 1, 1950 diplomatic rate will be abolished.

BARBOUR

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[1] This telegram was relayed to Paris at 4:00 p. m. on February 28.

[2] For documentation regarding ruble revaluation, abolition of the ration card system, and price changes in the Soviet Union under the decree of December 14, 1947, see *Foreign Relations*, 1947, vol. IV, pp. 626–649 *passim*.

[3] The text of the decree of the Council of Ministers of the Soviet Union was published in the press on March 1, and translation of it was sent in telegram 708 from Moscow on that day. It provided that the exchange rate of rubles for foreign valutas would no longer be based upon the dollar, but would be transferred to the more stable base of the gold content of the ruble. The gold content of the ruble was accordingly fixed at 0.222168 grams of fine gold, and the purchasing price of one gram of fine gold at the State Bank (Gosbank) of the Soviet Union would hereafter be 4 rubles and 44 kopeks. On this basis the exchange rate would be 4 rubles for 1 American dollar. (861.13/3–150)

261.1122/2–2850 : Telegram

The Chargé in the Soviet Union (Barbour) to the Secretary of State

CONFIDENTIAL PRIORITY Moscow, February 28, 1950—11 p. m.

705. Called Foreign Office 10 p. m., by Gromyko who handed me *aide-mémoire* translation of which contained immediately following telegram [1] (Deptel 92, February 1 [2]). Beyond stating *aide-mémoire* is reply to our *aide-mémoire* December 12, 1949, Gromyko made no comment and meeting lasted less than minute.

BARBOUR

[1] Not printed. The text of the *aide-mémoire* of February 28 regarding the continued refusal to grant exit permits to American citizens and spouses of American citizens to leave the Soviet Union is printed in Department of State *Bulletin*, March 20, 1950, pp. 440–441. It was in response to a letter dated October 4, 1949, from Ambassador Kirk to the Acting Minister of Foreign Affairs of the Soviet Union Andrey Andreyevich Gromyko, as well as to the *aide-mémoire* of December 12, 1949. The text of both documents is in *ibid.*, pp. 434–440. See also *Foreign Relations*, 1949, vol. v, p. 684.

[2] Not printed. Ambassador of the Soviet Union Aleksander Semenovich Panyushkin had been handed a copy of the United States *aide-mémoire* of December 12, 1949, with a request to expedite a reply, on January 18, 1950, as printed in the Department of State *Bulletin*, March 20, 1950, p. 433. However, in telegram 92 to the Embassy in the Soviet Union on February 1, it was stated that the Ambassador had been handed the copy by Secretary of State Acheson on that afternoon. (261.1122/2–150)

861.13/3–150 : Telegram

The Chargé in the Soviet Union (Barbour) to the Secretary of State [1]

CONFIDENTIAL Moscow, March 1, 1950—7 p. m.

714. Embtel 704 February 28 and 708, March 1.[2] In preliminary Embassy opinion, decree Council Minister[s] changing official exchange rates ruble to dollar and other currencies and establishment purported gold basis will have only negligible economic significance outside Soviet orbit except for propaganda. Obviously Soviets will not be able force acceptance ruble rate of exchange in trade with free world.

Principal motive behind move seems to be exploitation weakness western currencies as implied in devaluation and effort compromise dollar to Communist advantage in eyes those who have misgivings western economic stability.

Further considerations, however, probably also involved: Kremlin desire for Soviet currency established on some sort financial parity with currencies freely convertible and having real value has been reflected in post-war speeches and articles Soviet economists who

[1] This telegram was relayed to London and Paris and to the Departments of the Army, Navy, and Air Force on March 1.

[2] Latter telegram not printed, but see footnote 3, p. 1113.

hopefully referred to "strengthening of ruble in relation foreign currencies" and reiterated ruble has "gold basis", describing it as "international currency". Undoubtedly obvious to Kremlin that this phase would not change status ruble from one unacceptable in free international trade to one of desirability and free convertibility. Best Soviets realistically may expect re world trade is to take first step as prelude to creation "ruble area" which they would control. Rumors to this effect have appeared throughout orbit and in Moscow in past months. (Embtel 3022, December 6, '49 [3])

Additionally, Soviets may hope by describing ruble as based on gold to obviate past embarrassing necessity for publicly stating trade agreements in dollars and defining ruble in terms US dollars.

By basing ruble on gold Soviets imply continued support for gold as international valuta, which understandable since Soviets one of biggest gold producers.

Likewise, by revaluing ruble upward in terms foreign currencies Soviets may have in mind improving trade with satellites although questionable if such device needed with general Soviet control over European satellites now adequate (worth noting that Sino-Soviet trade pact recently signed had special safeguard currency provisions). However, non-satellite countries undoubtedly will ignore claims re ruble value and insist on basing prices on world market prices.

By its action in reducing number of rubles obtainable for hard and soft currencies, Soviets may have considered additional pleasant acquisitions of foreign currency which will accrue to USSR from diplomatic missions on Soviet soil, at same time relieving embarrassment stemming from mere existence diplomatic rate of exchange which confession low purchasing value of ruble. At same time Kremlin may have in mind further curtailment diplomatic missions Moscow and hope additional expenses will force reduction staffs with concomitant improvement Soviet internal security.

In summary Embassy sees principal Soviet advantages decree in internal and external propaganda presuming more gullible sectors world public opinion will be impressed and Soviet populace will take pride in postwar Soviet accomplishments ostensibly reflected therein.

In countering such effect, emphasis on obvious falsity maneuver should go far toward clarifying situation and making evident that with this development Soviet ruble is in fact further from avowed goal becoming internationally accepted valuta than heretofore.

BARBOUR

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[3] Not printed. The First Secretary of the Embassy in Belgrade, William A. Fowler, reported in despatch 450 on April 20, 1950, that an article in *Republika* two days before had found the official announcement by the Soviet Union to be unconvincing. The writer of the article was of the opinion that "it is unquestionable that (the formation of an Eastern political and economic bloc) is the main purpose . . . of the revaluation of the ruble." (861.131/4–2050)

861.13/3-250 : Telegram

The Chargé in the Soviet Union (Barbour) to the Secretary of State[1]

SECRET Moscow, March 2, 1950—8 p .m.

729. At instance Italy, Ambassadors Italy, France, Netherlands and Belgium and Chargés US and UK this afternoon informally discussed ruble appreciation with particular reference effect on operation diplomatic missions here and possible countermeasures. Italian Ambassador suggested two lines on which action might be taken, first relating to measures which could be taken abroad and second possibilities in Moscow. In first category he mentioned retortion by restricting Soviet financial operations in Italy to a single bank and the imposition of a retaliatory exchange rate. He also raised question whether it would be desirable to consider removal of diplomatic rate as direct effort on part of Soviets to reduce size of diplomatic staffs in Moscow and on basis such reasoning to require reduction in Soviet diplomatic staffs abroad. As regards situation in Moscow he enquired whether it would be advisable to ask Soviets for corresponding reductions in rents and other major items of expenditure not covered by concurrent consumer price reductions.

General consensus was that effect of exchange rate change on diplomatic corps was only an incidental factor in Soviet thinking, the controlling consideration being the psychological impact both domestic and foreign of ostensible strengthening of ruble and Soviet economy therein implied, and that, it being inconsistent with that line to maintain a diplomatic rate, chances of obtaining a return to such preferential treatment are virtually nonexistent. Netherlands Ambassador felt it would be unwise to make any representations on basis of amount of extra expenditure to diplomatic missions involved pointing out that in sum of national budget expenditures amount is relatively insignificant and Soviets could represent such action as evidence of capitalistic petty financial consciousness. He proposed that issue should be taken with statements in Foreign Office note referring to conditions in US and Europe and rejecting those Soviet contentions as interference in matters of internal concern to other countries. British Chargé said he had been considering recommending that UK solve problem by insisting upon inclusion in future UK-USSR payments agreements of provision for a balance of rubles to cover exchange rate increment. I pointed out probable US difficulty in establishing counterexchange measures such as Italian Ambassador had in mind and remarked that US situation with regard to size of respective diplomatic staffs in Washington and Moscow differed from that in some of other countries which would complicate US imposi-

[1] This telegram was relayed to London, Paris, Rome, The Hague, and Brussels at 4 : 35 p. m. on March 2.

tion of measures of reprisal on that basis. British Chargé noted UK–USSR staff situation comparable US.

It was agreed that those present would recommend to their governments (1) consideration of possibilities retaliatory measures and (2) advisability in meantime of transmitting parallel replies to the Soviet Foreign Office note designed to make clear unrealistic nature of Soviet action in light existing price conditions in Moscow and consequently protesting new rate as wholly out of line with situation it purports to reflect. It was the general view that such protests will, if published, at least have effect of counteracting to some extent psychological impact among western peoples of this calculated Soviet maneuver. British Chargé is drafting preliminary suggestion as to substance which might be included in such protest and text will be sent Department soon as available.[2]

BARBOUR

[2] A lengthy summary of the British proposed note was sent to the Department of State in telegram 748 from Moscow on March 4, not printed. (861.131/3–450)

411.6131/3–350

The Chargé in the Soviet Union (Barbour) to the Secretary of State

SECRET Moscow, March 3, 1950.

No. 233

POSSIBLE ABROGATION OF COMMERCIAL AGREEMENT WITH USSR

The problem, as it is posed in the two memoranda transmitted with the Instruction under acknowledgement,[1] is whether it is desirable for the United States to give notice of abrogation of the presently-existing commercial agreement with the Soviet Union. In these memoranda, it is argued that, with the failure of the USSR from 1941 onwards to specify the total dollar value of purchases it would make in the United States, the agreement has become disadvantageous from the American viewpoint. It is likewise asserted that the US, by restricting the types of materials which may be exported to the Soviet Union, itself is contravening the terms of the agreement, thereby laying itself open to charges of bad faith. Consequently, it is suggested in the memoranda that the US should abrogate the agreement in the near future, at the same time, for reasons which are given at some length, making an offer to negotiate a Treaty of Commerce and Navigation which would be broader in scope.

[1] Instruction No. 7, February 2, p. 1092. Only the first report transmitted with this instruction is printed in full.

Briefly, the existing agreement, first negotiated in 1939,[2] on the Soviet side consisted of an engagement to purchase a fixed value of goods from the US annually. In return, the US agreed to extend to the Soviet Union Unconditional Most Favored Nation treatment, and not to place obstacles in the way of exports to the USSR. Inserted, however, was a saving clause, presumably subject to interpretation by the US alone, which would permit the US to restrict the export of articles broadly defined as "military supplies". The agreement was renewed on an annual basis until July of 1942, at which time it was converted into an agreement of indefinite duration, subject only to abrogation upon six months notice given by either party.

The Embassy does not believe that a case has been made for American termination of the agreement at this time. Neither does it think that, even were abrogation desirable, the present international political temperature is favorable. More important, the proposal that the USSR be offered a Treaty of Commerce and Navigation seems from this post to be decidedly unwise, being susceptible to misinterpretation, and not compensated for by any obvious advantages.

The argument that, by abrogation, we would sidestep criticism by the USSR for violating the agreement does not seem wholly realistic in the light of systematic Soviet violation of existing international commitments. In the present climate of the "cold war", it would seem rather academic to fear such charges: at a time when the US is being pictured in the Soviet and satellite press (and in official utterances) as an instigator of new conflicts, as a promoter of espionage and subornation, assertions of non-observance of a commercial agreement pale into insignificance.

Nations belonging to the Atlantic Pact, and other friendly countries, are fully aware of the necessity, justified by reasons of national defense, of limiting the export of strategic materials to the USSR: in fact, many of these countries have taken similar measures. In this regard, it is believed that there exist precedents for interpreting the term "military supplies" in a broad sense.

While the Embassy does not favor abrogation of the agreement at this time, even less reason is seen for coupling with abrogation an offer to negotiate a Treaty of Commerce and Navigation. At a time when, after strenuous efforts, the US has succeeded in persuading many European nations of the necessity of restricting the export of strategic supplies to the Soviet-bloc nations, the offer to negotiate another agreement, regardless of the explicitness of an accompanying statement of explanation, would arouse suspicion and alarm among our allies. Moreover, such an offer seems patently out of key with recent

[2] In regard to the conclusion of the first commercial agreement between the United States and the Soviet Union on July 13, 1935, see footnote 5, p. 1093. For the renewal on August 2, 1939, see *Foreign Relations*, The Soviet Union, 1933–1939, pp. 809–837. The renewal of August 4, 1937, is probably here intended.

strong statements of the President and the Secretary to the effect that, until the Soviets evidence willingness to abide by existing international engagements, we can see no object in negotiating new ones.

The Embassy feels also that, as one phase in the "cold war", it may become desirable at some time in the future to abrogate the agreement. If this is done, it should be accompanied by maximum publicity, and should be viewed as an offensive step, rather than as one motivated by fear of Soviet criticism.

It is accordingly strongly recommended that no action be taken by the US in regard to this agreement pending further developments.

WALWORTH BARBOUR

511.6121/2–2850 : Telegram

The Secretary of State to the Embassy in the Soviet Union

SECRET WASHINGTON, March 4, 1950—3 p. m.

182. Re Embtel 694, Feb 28.[1] Dept has given full consideration to the present precarious situation of *Amerika* magazine in the USSR. Emb requested to make further and strong representations to Sov FonOff which will make clear and document Emb's charges of failure to provide adequate distribution for magazine. Emb authorized to conduct negots re price magazine revising downward to four or five roubles if this felt possible face saving device which might result in continuance *Amerika*. Dept prepared to discontinue *Amerika* unless reasonably satis distribution plan can be maintained and wld plan to make such discontinuance occasion for fully informing public as to subterfuges whereby Sov has throttled, without officially prohibiting magazine. Suggested Amb or Counselor call on FonMin and deliver note making following points:

1. Emb has recd no reply to representations made by counselor to head of Amer Section FonOff Jan 30.[2] Communication of Feb 7 [*11*] from Soyuzpechat is not an adequate or satis reply.[3]

2. Emb wishes to point out that magazine *Amerika* has been circulated in Sovunion for five years 1945–49. Statement of Soyuzpechat letter of Dec 30, 1949 was first notice ever recd from Sov Govt that sales were not satis.[4] All info available indicates great interest in magazine among Sov readers. There has been no change in magazine. Hence it wld seem logical conclusion that change in distribution methods has occurred. All info at Emb's disposal indicates well over 50,000 copies cld be sold in SovUnion if distribution were made in a satis manner

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[1] Not printed.
[2] Not printed, but see footnote 5, p. 1080.
[3] See telegram 528 from Moscow on February 14, p. 1103.
[4] See telegram 33 from Moscow on January 5, p. 1077.

as agreed upon in original Harriman–Molotov discussions on this subj.[5]

3. Emb believes statement of Soyuzpechat that magazine is sold in seventy cities of Sovunion open to question. Members of the Emb staff in course of travels in past year have failed to find *Amerika* on sale in twenty four Sov cities. Observations over a period of months disclosed not single copy on sale Vladivostok. Emb also refers to failure of Soyuzpechat to distribute magazine on regular monthly basis although deliveries have been regularly made.

4. Emb wishes to remind the SovFonOff that the Sov Govt is distributing freely in US an official publication of its Emb and other info media.

5. Emb prepared assist Soyuzpechat in every way to obtain adequate distribution of *Amerika*. Some officials of Soyuzpechat have suggested that price of *Amerika* might be factor in limiting sales. Emb prepared discuss this point and make any reasonable price adjustment necessary assure satis distribution. Emb also prepared undertake itself distribution by direct subscription as is done with Sovinfobul in US.

ACHESON

[5] Not printed. See *Foreign Relations*, 1944, vol. IV, pp. 991–992 and 998–999. W. Averell Harriman was the United States Ambassador and Vyacheslav Mikhailovich Molotov was then the People's Commissar for Foreign Affairs of the Soviet Union.

861.131/3–1050 : Telegram

The Chargé in the Soviet Union (Barbour) to the Secretary of State

SECRET Moscow, March 10, 1950—1 p. m.

805. Embassy has given further consideration possibility and desirability instituting counter-measures with view to obtaining rectification exchange rate situation created by Soviet revaluation ruble (Embtel 729, March 2). No such measures likely to carry enough weight to obtain Soviet reversal of its position and at same time readily applicable have occurred to us.

However, in line with the thinking which underlies recommended reply to Vishinsky (Embtel 748, March 4 [1]), that it is in our interest to counteract the psychological effect of this Soviet move by manifesting the unrealistic nature of Soviet pretensions therein, we have been weighing the possibility that this might be a suitable occasion to abrogate the US–USSR commercial agreement proposed in Depinst 7 of February 2. Embassy's reply to that instruction (Embdes 233, March 3) expressed view that it would be undesirable to abrogate that agreement until a suitable occasion arose on which to abrogate with positive advantage to US. Abrogation on basis Soviet establishment unrealistic exchange rate, accompanied by statement to effect that

[1] Not printed, but see footnote 2, p. 1117.

agreement has been rendered obsolete by appreciation of ruble which makes impossible conduct commercial exchanges along normal traditional lines, would seem likely appreciably counteract psychological impact Soviet action and might startle Soviets as unexpected reaction touching their vital interest East-West trade. Also in these circumstances there would be no reason add offer negotiate new agreement which Embassy feels strongly would in any event be inadvisable.

BARBOUR

261.1122/3–1150 : Telegram

The Chargé in the Soviet Union (Barbour) to the Secretary of State

CONFIDENTIAL Moscow, March 11, 1950—2 p. m.

815. Embtel 706, February 28.[1] Embassy letter to Anna Spiegel, notifying her MFA's decision to permit her to depart USSR, *aide-mémoire* February 28 returned undelivered with postal notation: "Addressee departed destination unknown."

Of the five persons allegedly permitted to depart USSR, Henry Blacha, Valentina and Vladimir Kazun have "stated" refusal to return USA and desire to remain USSR, Spiegel has not been located, and Adele Sagatas has not replied to Embassy letter.

Suggest relatives in USA be notified that Embassy is doing everything possible to effect repatriation of these persons but that good faith on part of MFA in this matter is doubted.

BARBOUR

[1] Not printed, but see the first footnote 1, p. 1114.

761.00/3–1250 : Telegram

The Chargé in the Soviet Union (Barbour) to the Secretary of State [1]

SECRET Moscow, March 12, 1950—1 p. m.

822. On this, the third general election under the Stalin constitution [2] central figure has not made election address, nor do today's Moscow papers refer statement from him. It will be recalled that on occasion last election (February 10, 1946) Stalin made radio address and that following day text was reproduced all papers.[3]

[1] This telegram was relayed to London, Paris, and Rome at 6:40 a. m. on March 12.

[2] See *Foreign Relations*, The Soviet Union, 1933–1939, footnote 27, p. 301.

[3] See *ibid.*, 1946, vol. VI, pp. 694–696. For other documentation on the elections for the Supreme Council of the Soviet Union in 1946, see *ibid.*, pp. 673 ff.

It had been generally accepted Stalin would speak last night and expectation was buttressed by facts (*a*) yesterday's papers indicated unallocated radio time from 8 p. m., on, (*b*) speeches other Politburo members completed previous day, and (*c*) Soviet censor passed Salisbury[4] *NY Times* despatch to effect Stalin would deliver principal address March 11. Assuming Stalin had intended to speak which by no means certain, last-minute indisposition might conceivably be explanation his failure to do so. Post-election speech a possibility. On other hand Stalin may have approached election in mood calm confidence, calculating slate would eke out victory in any event.[5]

Fact Stalin failed speak obviously spotlights speeches other Politburo members (Embtels 789, March 8; 820, 821, March 11).[6]

BARBOUR

[4] Harrison E. Salisbury was correspondent in Moscow for the *New York Times*.

[5] The Chargé reported in telegram 836 from Moscow on March 14, that a Central Electoral Commission communiqué had stated that there were 111,008,625 voters on the rolls (there had been 101,717,686 in the 1946 election), of whom 110,964,172 or 99.96 percent had voted. Of these more than 99 percent had voted for the Communist and nonparty bloc candidates. (761.00/3–1450)

[6] None printed. The Embassy sent condensed Joint Press Reading Service translations of the election speeches of 11 Politburo members in despatch 319 from Moscow on March 17, not printed. (761.00/3–1750)

861.00/3–1350 : Telegram

The Chargé in the Soviet Union (Barbour) to the Secretary of State[1]

SECRET Moscow, March 13, 1950—1 p. m.

826. Embtel 821 March 11.[2] From economic viewpoint speeches Molotov,[3] and Mikoyan[4] and Kaganovich[5] appear relatively frank retrospective and future analyses Soviet economic problems. While not all inclusive, and word "frank" must be read in context Soviet reticence on economic questions, impression gained from speeches is that Soviet leaders are aware of economic difficulties facing them and are even sensitive to certain contradictions inherent in their system.

As would be expected, Molotov comments concerned less with Soviet economy than speeches old trade expert Mikoyan and industry spokes-

[1] This telegram was passed to London, Paris, and Rome at noon on March 13.

[2] Not printed.

[3] Vyacheslav Mikhailovich Molotov had been Minister of Foreign Affairs of the Soviet Union until relieved on March 4, 1949. He remained a member of the Politburo of the Central Committee of the Communist Party and a First Deputy Chairman of the Council of Ministers.

[4] Anastas Ivanovich Mikoyan had been Minister for Foreign Trade of the Soviet Union until relieved on March 5, 1949. He remained a member of the Politburo of the Central Committee of the Communist Party and a First Deputy Chairman of the Council of Ministers.

[5] Lazar Moiseyevich Kaganovich had given up direct control of the People's Commissariat of Heavy Industries in April 1938. He was, however, the director of many other associated commissariats and ministries afterwards. He was a member of the Politburo of the Central Committee of the Communist Party and a First Deputy Chairman of the Council of Ministers.

man Kaganovich. However, it was Molotov who revealed that new five-year plan would commence 1951. While complaining that "aggressive powers" pursuing policy "foreign trade discrimination directed against USSR and People's Democracies . . . constitution brake on development foreign trade" Molotov saw "no reason conceal fact that in order carry out great prospective economic plans USSR interested in lasting peace."

In his turn Kaganovich admitted original US proposal USSR participate Marshall Plan but noted Soviets rejected such "aid" thereby thwarting "knavish hopes and intentions US." This remark, of course, consistent Soviet line that Marshall Plan designed by US for domestic selfish purposes and leads only to deterioration economic condition recipients.

Also on all fours with recent propaganda barrage was comparison all speakers of alleged growing industrial might USSR and decadence and contradictions capitalist system with accompanying deterioration economic well-being workers.

Mikoyan and Kaganovich indirectly suggested possible further "appreciation" value ruble in term dollar. Kaganovich indicated "Soviet ruble will become still stronger" and thus ["]victory will be assured for ruble in competition dollar" inasmuch as this "value" subject regulation by Politburo fiat, another "appreciation" ruble can, of course, take place whenever politically desirable.

Kremlin concern lest enhanced purchasing power resulting from recent price reductions might press on production revealed Mikoyan confession that "as yet it is too early to render final judgment on question shifts and changes caused by reduction prices in nature demand population and in development trade turnover. Tendencies (which have become manifest since price reductions) make demands on our industry for further increased production those goods for which there has been greatest demand since price reductions." In other words, Soviets have not yet been able completely repeal law of supply and demand.

Detailed comments follow by despatch.[6]

BARBOUR

[6] Not printed.

411.61231/2-2850

The Secretary of State to the Ambassador of the Soviet Union (Panyushkin)

The Secretary of State presents his compliments to His Excellency the Ambassador of the Union of Soviet Socialist Republics and has the honor to refer to the Embassy's *aide-mémoire* of February 28, 1950

concerning the inspection of personal baggage of diplomatic couriers arriving at New York.

A communication has been addressed to the Treasury Department [1] requesting that consideration be given to the granting of blanket authorization to the Collector of Customs at New York for the clearance, on a basis of reciprocity, of the personal baggage of Soviet diplomatic couriers. As soon as a reply is received the Ambassador will be informed.

WASHINGTON, March 16, 1950.

[1] A letter dated March 16 was sent to the Secretary of the Treasury John W. Snyder; not printed.

861.13/3-1750

The Chargé in the Soviet Union (Barbour) to the Secretary of State

No. 310 Moscow, March 17, 1950.

There are enclosed in slightly condensed translation copies of an article by Professor K. Plotnikov entitled "What does the Shifting of the Exchange Rate of the Soviet Ruble to a Gold Basis Signify?" which appeared in *Pravda* March 5.[1]

In the article, claimed to have been written in response to a letter from a reader who wanted to know what the change in the exchange rate signified, Professor Plotnikov explained that in the past various foreign currencies have been taken as a basis for fixing the exchange rate of the ruble for purposes of foreign trade. The French franc and then the American dollar were selected since at the time they were adopted they represented the most stable currency "among the big capitalist states". He pointed out that because "in the USA production is declining month in and month out, the army of unemployed is growing and a new economic crisis is mounting inexorably" the dollar since the war had become very unstable and its exchange rate in the international market has been sharply reduced. Soviet economic successes, concomitant with the deteriorating condition in capitalist countries, resulted in the Soviet ruble's purchasing power becoming higher than its official rate of exchange. Consequently, the government determined to raise the rate, and at the same time to place the ruble on a more stable basis than the depreciating dollar, namely gold, in accordance with the gold content of the ruble.

For the Chargé d'Affaires:
JOHN EVARTS HORNER
First Secretary of Embassy

[1] Not printed.

761.13/3-1850 : Telegram

The Chargé in the Soviet Union (Barbour) to the Secretary of State [1]

SECRET Moscow, March 18, 1950—noon.

874. Embtel 822 March 12. We have hesitated to offer our comments on possible reasons for Stalin's failure to make election speech because (*a*) we have not been in possession of any solid facts and (*b*) we have been of the opinion that flimsily-based speculation on our part would be negative contribution to understanding this question.

It is pertinent to inquire whether Stalin's non-delivery of address should divert our attentions from speeches actually delivered by Molotov and other Politburo members. The omission of course has more dramatic significance: on sober thought, however, contents these other speeches (Embtel 820 and 821 March 11 [2]) seem more deserving of our attention.

Western observers here (including correspondents), many of whom had predicted that Stalin would deliver an address of unusual importance, conjecture following explanations for his failure to speak: (1) He was indisposed at last minute (this, of course, is predicated upon assumption, by no means certain, that he originally had intended to speak); (2) He has been suffering from cancer of the throat, and hence, while able to make public appearances, is physically inhibited from delivering protracted addresses (this is an old rumor); (3) He feels that cold war is still in a stage of such fluidity that it behooves him to keep his silence now (the assumption obviously correct being that any words he might utter would carry much greater weight at home and abroad than speeches of his Politburo associates); (4) He is saving his major pronouncement for nineteenth party congress (this supposition suffers from fact that there is no evidence as yet to show that party is scheduled for near future [3]).

Without much more information, we are not prepared to hazard a guess as to which, if any, of these possibilities may be correct. We are not even sure that these exhaust all the potentialities. For example, it is increasingly plausible to believe that Stalin has now cast himself in the role of elder statesman; that thenceforth he will appear on the public platform only rarely, leaving to his coadjutors the main burden of carrying party line to domestic and international audiences.

The fact remains that Molotov and other key Politburo figures have provided us with food for thought. They have reemphasized their belief in strength of Soviet Union, and whether with their tongues in their cheeks or not, have expressed conviction that their

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[1] This telegram was relayed to London, Paris, and Rome at 1:41 p. m. on March 18.

[2] Neither printed, but see footnote 6, p. 1122.

[3] The 19th Congress of the Communist Party of the Soviet Union was not held until October 5–12, 1952, in Moscow.

main antagonist, capitalist America is in a descending spiral of production, and a corresponding ascending spiral of unemployment and human misery. Expressions of confidence over accession to the cause of China and the satellites likewise do not bring us anything new. Despite these overly optimistic views with respect to future of international Communism, we must not overlook references in these speeches to weak points in economy of USSR, particularly in vastly-important agricultural sector. The admission by Mikoyan that Armenian nationalism is not wholly moribund, combined with other data of an admittedly spotty nature at our disposal, reinforces our belief that, in the non-great Russian areas at least, there is fund of visible and concrete dissatisfaction with the regime.

In our view, chief significance of "campaign" speeches lies in fact they continue main lines of recent Soviet public pronunciamentoes, and shed no new light on vital problem relations USSR with free world.

BARBOUR

611.61/3–1950 : Telegram

The Chargé in the Soviet Union (Barbour) to the Secretary of State [1]

SECRET Moscow, March 19, 1950—7 p. m.

889. Embtel 886, March 19.[2] *Pravda* reaction Secretary's Berkeley speech [3] continues dual themes recent Soviet pronouncements, in (1) reiterating familiar charges against US "aggressive-adventurist" policy and (2) proclaiming Soviet adherence "consistent policy peace" supported masses all countries. Absence constructive response and Secretary's points, while not unexpected, of course further belies "peaceful" protestations and seems to us additionally affirm, if such affirmation necessary, total lack of area of community of Soviet-US interest on which to found negotiable settlement this time.

Reference "calls even from conservative sources for new attempts adjust US-Soviet differences" noteworthy as possible reflection effect

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[1] This telegram was relayed to London, Paris, and Rome at 4:20 p. m., on March 19.

[2] Not printed. The Embassy reported about a critical article by Ya. Viktorov in *Pravda* on March 19, which concluded that the speech showed an "absence concrete proposals toward peace. Hence resort to 'total diplomacy' based like 'atomic diplomacy' on naked force, intimidation et cetera which useless against USSR, other countries able defend independence. In contrast USSR follows 'consistent policy peace' supported by 'million masses all countries' answering 'interests all humanity'." (611.61/3–1950)

[3] Secretary of State Acheson delivered a speech on the tensions between the United States and the Soviet Union at the University of California at Berkeley on March 16. For the text, see Department of State *Bulletin*, March 27, 1950, pp. 473–478, or *American Foreign Policy, 1950–1955: Basic Documents* (Washington, Government Printing Office, 1957), vol. II, pp. 1928–1936.

irresponsible discussion that line toward strengthening Soviet intransigeance. Similarly Soviet reliance its estimate economic difficulties US probably intentionally highlighted by appearance same issue *Pravda* of article by Varga[4] on US unemployment (Embtel 887, November [*March*] 19[5]).

However, fact Soviets have not overlooked importance speech and are aware its major impact on thinking and direction coordination policy and objectives free world may be assumed from speed with which they have produced intended rebuttal. (While *Literary Gazette* article same subject March 18 (Embtel 888, March 19[6]) took same uncompromising attitude, and was considerably more abusive it cannot be regarded as carrying same authority as *Pravda*).

BARBOUR

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[4] Yevgeny (Eugene) Samoylovich Varga was the famous Hungarian-born Soviet economist.

[5] Not printed. In an article in *Pravda* of March 19 on "The Growth of Unemployment in the Countries of Capitalism" Varga concluded with the judgment that the "enormous army of unemployed bears witness that capitalism has completely spent itself, that the capitalistic system is the greatest brake on all progress. Only the liquidation of this system, its substitution by Socialistic system, can once for all eliminate such incurable sores of capitalism as anarchical production, of risks and unemployment." (961.61/3–1950)

[6] Not printed. This article was by the playwright Anatoly Surov. In despatch 367 from Moscow on March 25, the Embassy summed up the reaction to the speech in these words: "The alacrity with which Soviet propaganda reacted to the Berkeley speech and the extremes of scurrility employed, particularly by Surov who compared the Secretary to a grass-snake, are clearly indicative of a realization that the Berkeley speech contains a broad appeal, which from the Soviet viewpoint must be ridiculed as quickly and fully as possible." (961.61/3–2550) Translations of the articles by Viktorov and Surov prepared by the Joint Press Reading Service were enclosed with this despatch.

511.6121/3–2150 : Telegram

The Chargé in the Soviet Union (Barbour) to the Secretary of State

SECRET

Moscow, March 21, 1950—7 p. m.

901. Deptel 209, March 14.[1] I delivered note, copies of which are being transmitted by airmail, to Gromyko this afternoon. In so doing I orally strongly represented position that situation arises from failure to provide adequate distribution *Amerika* magazine, stressing fact

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[1] Not printed. Some slight modifications in wording of the points made in telegram 182 from the Department on March 4 were mentioned. (511.6121/3–1450) After encountering some delay in obtaining an appointment, the Chargé delivered the note No. 32 to Deputy Minister of Foreign Affairs Andrey Andreyevich Gromyko on March 21. The note plainly expressed all the points contained in telegram 182 and requested the Minister of Foreign Affairs, Andrey Yanuaryevich Vyshinsky, to whom the note was addressed, to "be good enough to intervene with the appropriate Soviet authorities with a view to their taking necessary remedial action." The text of note No. 32 as delivered was enclosed in despatch 370 from Moscow on March 25; not printed. (511.6121/3–2550)

that no indication prior December 31, 1949 that full 50,000 copies [2] not being sold and indicating that all available information confirms great interest magazine among Soviet readers.

Gromyko at first suggested he was only generally informed matter *Amerika* and similar situation British publication but it rapidly became clear he well aware of details. He repeated Soyuzpechat allegations magazine distributed 70 cities Soviet Union and took issue my statement it has not been seen any number Kiosks Moscow. Mentioning that figures showed the magazine had not been selling for past year he remarked "figures are figures".

I reminded him that official Soviet publication circulated freely in the US. It is a question, he replied, of demand and there is wide demand for Soviet publications in US. I reiterated that our information and the record clearly manifest existence of demand for *Amerika* magazine in the USSR much in excess of 50,000 copies. Gromyko concluded that he will study note and reply.

General impression conversation was that there is little likelihood Soviet Government will alter position taken and in all probability we will receive reply in general terms along line his allegations diminishing demand despite wide efforts distribution.

BARBOUR

[2] In regard to the letter dated April 23, 1946, from Deputy Minister of Foreign Affairs Solomon Abramovich Lozovsky to Ambassador Walter Bedell Smith whereby it was stated that Soyuzpechat would undertake the distribution of 50,000 copies of the magazine *Amerika* throughout the Soviet Union beginning on June 1, at the price of 10 rubles, see *Foreign Relations*, 1946, vol. VI, p. 748.

861.61/3-2150

The Chargé in the Soviet Union (Barbour) to the Secretary of State

RESTRICTED
No. 332

Moscow, March 21, 1950.

Problems of Philosophy No. 2, 1949 (published in late February, 1950) carries a 10 page article entitled "J. V. Stalin on the Development of National Languages in the Epoch of Socialism" by T. P. Lomtev which explains that when world socialism is achieved national languages and other national differentiations will wither away and there will emerge an international language—Russian. This transformation from national languages to an international language is to be a most natural one and it is emphasized carefully that there will be absolutely no compulsion involved in the adoption of the international language (Russian). National languages are to develop and flower, but, for the purpose of strengthening economic, political and cultural cooperation among the peoples of the socialist nations, an international language will evolve.

Lomtev sketches the great advances made since the October Revolution by the Communist party and Comrade Stalin in developing the Russian language and using it to enrich the national languages in the Soviet Union.[1] He mentions that there existed a group of local bourgeois nationalists, calling themselves defenders of the native language who were guilty of the following rather contradictory faults: *a*) They replaced international and particularly social-political terminology with their own provincial expressions; *b*) They "strove for an orientation towards foreign languages, belittling the significance of the Russian language in every way. The Byelorussian and Ukranian nationalists clogged up their native language with aristocratic elements from the Polish; the Moldavian nationalists strove to drag into their language salon-gentry elements of the Rumanian language [etc.]. . . .[2] This was in essence a policy of betrayal of the national interests of their peoples, a policy of cosmopolitanism."; and *c*) They artificially inseminated local expressions in order to obstruct the penetration of Russian terms into their native language, and "thereby reduced the native language to a level of a provincial-local oblast dialect". Fortunately this line of language development collapsed after it was found out. The writer explains that the Great Russian language represents the foremost culture in the world and is the language of the Russian people, which, according to Stalin "is the most outstanding nation of all the nations which make up the Soviet union".

The American colonizers, Lomtev writes, are endeavoring to impose English as a single world language, on the trumped-up grounds that it is the superior language because of its lack of inflections. According to the article this is a purely racial theory; Marxism-Leninism teaches, and Soviet science has proved that the cultural-historical role of a language is determined not by its gramatical structure, but by the culture it represents, and naturally the Russian language represents the superior culture.

The evolution of a single world language is described as a gradual process, which will parallel world social and economic development. In

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[1] Stalin criticized the theories and opinions of the well-known philologist Nikolay Yakovlevich Marr (1864–1934) and his "disciples" in a long article in *Pravda* for June 20, 1950, entitled "On Marxism in Linguistics." This was followed by answers to several questions sent to him by individuals, which were published in the magazine *Bolshevik* in numbers 12 and 14. Marr and his followers had asserted, among many of their theories, that all languages had developed in consequence of sociological, and particularly class, influences. Stalin held the position that the Russian language had developed as an unique achievement of which only the genius of the Russian people was capable. He declared that the sooner linguistics got rid of the un-Marxian errors of Marr and his school the sounder it would be.

[2] Ellipsis in the source text.

the first stage of transition from world capitalist economy to a single world socialist economy there cannot be a single world language, but national languages will undergo a socialist transformation. In the second stage en route to world socialism national languages and an international language will exist side by side, or, according to Comrade Stalin, there might possibly emerge during this stage several zonal economic centers of individual groups of nations with a separate common language for each group. The Russian language of course "will indubitably play a decisive role for many socialist nations in the formation of a zonal international language". Finally these zonal economic entities will unite, the state will wither away and an international language will emerge. This final stage cannot be reached, however, until capitalist encirclement vanishes and national languages and cultures achieve their full flowering under socialism.

The Embassy previously has commented on the stress given in the Soviet press, and in public addresses by important Party figures, to the preeminence of the Great Russians over other constituent groups of the USSR. The present article goes even further in its blatant assumption that Great Russian "culture" (a word of which the Soviets are inordinately fond) has a world civilizing mission. The comparison with similar Nazi pronunciamento cannot be overlooked.

For the Chargé d'Affaires:
JOHN EVARTS HORNER
First Secretary of Embassy

411.6131/3-1350: Telegram

The Secretary of State to the Embassy in the Soviet Union

SECRET WASHINGTON, March 23, 1950—7 p. m.

243. Urtels 805 Mar 10. 829 Mar 13.[1] Abrogation US-USSR commercial agreement on ground Sov establishment unrealistic exchange rate renders agreement obsolete, making impossible normal traditional commercial exchanges, considered inadvisable because ruble not internatl currency nor element US-Sov trade. Embdes 233 Mar 3 being carefully considered and Dept believes more appropriate opportunity action this connection may arise.

ACHESON

[1] Latter telegram not printed.

861.13/3–2450 : Telegram

The Chargé in the Soviet Union (Barbour) to the Secretary of State

RESTRICTED Moscow, March 24, 1950—7 p. m.

948. For Dept and VOA. Following first person note number 39 dated March 24 addressed Soviet Ministry Foreign Affairs delivered Foreign Office today: [1]

"Excellency, I have the honor, on instructions to refer to Your Excellency's circular note of February 28, 1950, advising the Embassy that the Council of Ministers of the Union of Soviet Socialist Republics has decreed that the special discount arrangements under which diplomatic representatives in the Soviet Union may buy rubles with foreign currencies in limited quantities is established at reduced level for the period March 1 through June 30, 1950 and will be abolished from July 1, 1950.

"The Government of the US cannot accept the reasons advanced in your circular note of February 28 as justifying the indicated reduction and early abolition of the special diplomatic discount arrangement. Need for such special arrangement was recognized by the Soviet Government itself through adoption of the original preferential rate in 1941 [2] in an effort to equalize the purchasing power of the ruble with prevailing world prices. The need for such an arrangement still exists. Although the concept of an exchange rate for the ruble in the accepted sense is, of course, purely fictitious so long as the ruble is not an internationally traded currency, nevertheless it is possible to make a comparison of prices paid by members of the Soviet Embassy staff in Washington with prices paid by US Embassy personnel in Moscow. Despite some reduction in the Soviet price level since December 1947 prices in Moscow are extremely high relative to prices in Washington. For example, white bread from first grade flour was approximately 24 cents per kilo in Washington in December 1947 and is currently 26 cents per kilo. In Moscow, white bread from first grade flour was 7 rubles per kilo in December 1947 and now, after recent price reductions, is 5.60 rubles per kilo. At the discount rate of 8 rubles per dollar then established, the Moscow price of white bread in December 1947 was equivalent to over 87 cents per kilo as compared with 24 cents per kilo in Washington. The present Moscow price

[1] The Department of State had sent the text for a note to the Embassy in telegram 227 on March 20. It was drafted along somewhat different lines, which were preferred over the British draft. The Department believed that the reply should be "based primarily on inadequacy justification cited in withdrawal of dipl[omatic] corps preference although treatment sh[ou]ld be such as afford greatest propaganda value VOA and other media." The note was to be presented as early as possible, "either alone or in concert [with] other Missions" which should be encouraged to make a similar approach. (861.13/3–450)

The Chargé in the Soviet Union informed the Department in telegram 947 on March 24 that this note was delivered at the Ministry of Foreign Affairs in the afternoon. A British note was to be delivered on the following day. A few days previously, the Netherlands Ambassador had replied in a similar note, and the Italian Ambassador had done so on March 23. Others were expected to follow suit shortly. (861.13/3–2450)

[2] For documentation on the establishment of the diplomatic exchange rate of 12 rubles for $1 and the role played by the Dean of the Diplomatic Corps, the German Ambassador Friedrich Werner, Count von der Schulenburg, see *Foreign Relations*, 1941, vol. I, pp. 870–872, 875–877.

of white bread on the 4 ruble per dollar basis available to diplomatic representatives after June 30, 1950 is equivalent to $1.40 per kilo as compared with the current Washington price of 26 cents per kilo. At the 8 rubles per dollar discount rate the Moscow price of butter was equivalent to $8 per kilo in December 1947 as compared with the Washington price of from $1.71 to $1.87. The present Moscow prices for butter on the 4 ruble per dollar basis are equivalent to from $8.58 to $11.03 per kilo as compared with the current Washington price of $1.52 per kilo. Attention is also invited to the fact that price reductions recently announced do not include any reductions in such cost of living items as rent. These and additional comparisons contained in the appendix of this note show conclusively that in view of the continued low purchasing power of the ruble, the abolition or reduction of the preferential rate for diplomatic representatives is completely unjustified.

"It is also stated that the buying power of the US dollar has declined because of a continuing rise in living costs in the US. The index of the cost of living in the US published in the monthly bulletin of statistics of the United Nations stood at exactly the same figure in December 1947 when the diplomatic discount basis was reduced from 12 to 8 rubles per dollar [3] as it did in January 1950, the most recent month for which a figure has been published. Since the cost of living was the same in the US on these dates, no basis exists for justifying a reduction in the diplomatic discount rate from 8 to 4 rubles per dollar on grounds of a living cost increase in the US.

"The Government of the US accordingly wishes to reiterate that it finds no basis for the contentions of the Soviet Government in its circular note of February 28 that the reduction and abolition of the diplomatic discount rate is justified and requests that this rate be promptly reinstituted.

"Accept, Excellency, the assurances of my highest consideration." Signed Walworth Barbour, Chargé D'Affaires AI"

Appendix

Column one item, columns two, three, four, five, six and seven as indicated Deptel 227.[4] All quantities kilos unless otherwise stated. White bread 26 cents, 23.5 to 24.3 cents, 5.60 rubles, 7 rubles, $1.40, 87.5 cents; milk fluid liter 20 cents, 20.1 to 22.8 cents, 3.78 rubles, three to four rubles, 94.5 cents, 37.5 to 50 cents; beef first grade $1.39, $1.30 to $1.52, 24.3 rubles, 30 rubles, $6.075, $3.75; butter $1.52, $1.71 to $1.87, 34.3 to 44.1 rubles, 64 rubles, $8.575 to $11.025, $8; tea $1.39, $2.20, 162 rubles, 160 rubles, $40.50, $20; coffee $1.54, 84.9 cents to $1.12, 79.2 rubles, 75 rubles, $19.80, $9.375.[5]

BARBOUR

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[3] For the establishment of the diplomatic exchange rate of 8 rubles for $1, see *Foreign Relations*, 1947, vol. IV, footnote 2, p. 637.

[4] The wording of the headings of the seven columns was: Column 1, Item; column 2, Present Dollar Price, Washington; column 3, December 1947 Dollar Price, Washington; column 4, Present Ruble Price, Moscow; column 5, December 1947 Ruble Price, Moscow; column 6, Present Price Moscow in Dollars at 4 to 1; and column 7, December 1947 Price Moscow in Dollars at 8 to 1.

[5] The Department advised the Embassy in the Soviet Union by telegram 250 on March 27, that the text of this note had been released to the press at noon. (861.131/3–2750) See Department of State *Bulletin*, April 10, 1950, p. 561.

861.413/3-2550

The Chargé in the Soviet Union (Barbour) to the Secretary of State

CONFIDENTIAL Moscow, March 25, 1950.

No. 386

Father Brassard has now obtained residence registration with the Soviet authorities valid until June 1950 but has not as yet been registered to perform religious services nor received authorization to use the Church of St. Louis or other premises in Moscow in that connection.

Subsequent to the despatch under reference,[1] Intourist replied to the Embassy's request for an hotel room for Father Brassard stating "that because of lack of vacant rooms at the Intourist hotels, unfortunately, it is impossible to satisfy the request for a room for Father Brassard." However, in the meantime, the Administration for Services to the Diplomatic Corps provided the French Embassy with a new apartment which was leased in the names of Fathers Thomas and Brassard jointly and on that basis the OVIR registered Father Thomas on March 17 for residence in Moscow. That registration is currently valid until June 1950.

Father Brassard now having received this residence registration, the Embassy contemplates renewing its representations to the Ministry of Foreign Affairs under the Roosevelt–Litvinov Agreement with a view to obtaining authority for him to conduct services and to utilize the Church of St. Louis for that purpose. However, meanwhile, the Embassy is informed by the French Embassy that the Soviet authorities have refused to renew the residence permit of Father Thomas, Father Brassard's French colleague, and the French Ambassador[2] has made both oral and written representations protesting that refusal. The French Ambassador believes that the desire of the Soviet authorities to send a bishop to Paris gives him a certain leverage in regard to Father Thomas' registration and that, although no action has yet been forthcoming, it is possible that Father Thomas' status may be satisfactorily arranged.

It seems evident that the Soviets are probably endeavoring to maneuver so that Father Brassard will in fact replace Father Thomas, the presumed advantage to them from such a development being that Father Brassard is not qualified, as is Father Thomas, to preach in Russian. In the circumstances, the Embassy is, in agreement with Fathers Brassard and Thomas and the French Ambassador, proceed-

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[1] Despatch 193 from Moscow on February 21, p. 1108.

[2] Yves Chatigneau.

ing cautiously in the matter of Father Brassard to avoid facilitating Soviet achievement of this substitution.[3]

WALWORTH BARBOUR

[3] In despatch 32 from Moscow on August 10, not printed, the Embassy advised that there had been no change in the status of Father Brassard despite its "repeated further oral representations." The question of the use of the Church of St. Louis des Français for the holding of services was said to be "under continuing consideration between the Ministry of Foreign Affairs and the Ministry of Cults." (861.413/8–1050)

861.13/3–3050 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

RESTRICTED Moscow, March 30, 1950—4 p. m.

982. Embtel 948, March 24. Following note from Vyshinsky dated March 29 received today:

"Dear Mr. Ambassador: In connection Mr. Barbour's letter of March 24, 1950 on question alteration preferential rate exchange foreign currency for ruble, have honor inform that assertions contained in letter concerning comparison food cost in Moscow and Washington unrealistic. Unnecessary prove purchasing power ruble significantly increased and fully corresponds its official rates as result three price reductions all forms goods undertaken USSR 1947–1950.

Attempt in letter show stability dollar purchasing power in US clearly unconvincing and contradicts generally-known facts, evidence of which given in particular by President's economic report to Congress January 6, 1950 [1] in which pointed out retail price index in US increased by end 1949 to 169.3 in comparison 100.2 in 1940.

In view of above, US Government request that former preferential exchange rate be re-established is baseless, to say nothing of fact such questions entirely matter domestic legislation.

Accept, etc."

KIRK

[1] The President's message to the Congress accompanying the Economic Report is in the *Public Papers of the Presidents of the United States: Harry S. Truman, 1950* (Washington: Government Printing Office, 1965), pp. 18–31. The complete report was published as *The Economic Report of the President Transmitted to the Congress, January 6, 1950* (Washington: Government Printing Office, 1950).

861.181/4–150 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State [1]

SECRET Moscow, April 1, 1950—1 p. m.

1005. Deptel 260 March 29.[2]

[1] This telegram was relayed to London at 7:00 a. m. on April 1.

[2] Not printed. The Embassy was asked to ascertain the extent of any additional travel restrictions in the Soviet Union and to report them to the Department for its use in consideration of the desirability of restrictive measures in the United States. (861.181/3–2950)

1. Air Attaché report based upon experiences British Military Attaché, Canadian Air Attaché, who last November refused tickets by Intourist[3] and told they could travel only to cities having Intourist hotels (Leningrad, Kharkhov, Odessa, Tbilisi, Stalingrad).

2. British promptly sent note MFA asking whether this represented change government policy. Despite 2 follow-ups, only reply was that matter referred competent Soviet authorities (We think it unlikely definitive reply will be received).

3. Fairly clear Soviets differentiate in treatment accorded foreign service and military personnel (Thus last year British Military Attaché told he could travel to and from Tbilisi only by air, whereas his intended travelling companion, British second secretary, was allowed take train).

4. No military member staff this Embassy has made attempt travel points without Intourist hotel since British-Canadian attempt.

5. 2 members FS staff this Embassy departed yesterday by train for Chkalov and Ufa, having experienced no difficulties in obtaining tickets (Travel report will be forwarded immediately upon their return Moscow).[4]

6. British of opinion Soviets more restrictive re FS Russian experts than non-Russian speakers (Our experience does not confirm this).

7. In past 6 months, Soviets have been inclined forbid lateral travel (For example travellers to Chkalov and Ufa cannot proceed from one these points to other, but must first return Moscow).

8. Unwise to over-generalize about Soviet travel restrictions. These seem to vary, and incline us to believe Soviets often play this by ear.

KIRK

[3] The All-Union Society for Foreign Tourism in the Soviet Union, the official travel agency.

[4] It was stated in telegram 1154 from Moscow on April 17 that this trip had been completed without incident. Ambassador Kirk added that it seemed possible "recent US and UK statements indicating concern over restrictions may have prompted Soviets suspend institution further restrictions and for time being adhere limits previously in force, thus permitting travel such as this within officially notified areas." (861.181/4–1750)

601.6111/4–350

Memorandum by the Director of the Office of Eastern European Affairs (Yost) to the Assistant Secretary of State for European Affairs (Perkins)

CONFIDENTIAL [WASHINGTON,] April 3, 1950.

Starting with an official call on the part of the Chief of the Consular Section of the Soviet Embassy on February 28,[1] the Soviet

[1] Lëv Sergeyevich Tolokonnikov was a First Secretary of the Embassy of the Soviet Union and Chief of the Consular Section.

Embassy has sent us three communications protesting the failure of American immigration and customs authorities at New York airport to grant the courtesies of the Port to Soviet diplomatic couriers.[2] The acts of "discrimination" include the inspection of the personal baggage of the couriers and the regularization of their documents after ordinary passengers have been cleared.

In their representations the Soviets have made it clear that the Soviet Government extends customs and immigration courtesies to American couriers in the Soviet Union on a basis of strict reciprocity with the evident implication that unless the clearance of Soviet couriers is expedited our couriers will meet with retaliation on the part of Soviet officials.

The maintenance of regular and expeditious courier service between our Embassy at Moscow and Helsinki is essential to the proper operation of the Embassy. Under the Soviet law, customs and passport inspections take place upon arrival and departure from that country. Thus with our regular three times weekly courier service the Soviet officials would have the opportunity six times a week to employ their well known techniques to harass and delay American couriers. In accordance with the informal recommendation of an official of the Treasury Department[3] it is suggested that you communicate with the Assistant Secretary of the Treasury, Mr. Graham, and convey to him this Department's real and active interest in the maintenance of our secure communications system with the Embassy at Moscow and request whatever assistance he may give in arranging for the Collector of Customs at New York[4] to extend the courtesies of the Port to Soviet diplomatic couriers. These arrangements could be made in a very informal fashion and need not require any change in the Treasury Department's regulations. The Collector at the port of arrival has the authority to extend customs courtesies to any official. It would appear that an informal suggestion from the Assistant Secretary to the Collector at New York would suffice.

The suggestion made some years ago by Treasury that customs courtesies could be arranged in each individual case if advance notification were given of the impending arrival of any individual hardly seems practicable nowadays since practically all the couriers travel by air. It is most unlikely that advance notification could reach the Collector at the port prior to the arrival of the person concerned.

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[2] These additional protests are not printed.

[3] This recommendation had been mentioned by Elmer Acken, the assistant to Assistant Secretary of the Treasury John S. Graham, during a conversation with Mrs. Regina F. Sanz in the Protocol Staff of the Department of State.

[4] Harry M. Durning.

511.614/4-450 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State [1]

SECRET Moscow, April 4, 1950—8 p. m.

1032. Embtel 901, March 21.

1. Embassy's immediately following telegram (1033, April 4 [2]) gives translation (with omission unessential words) of Vyshinsky's note March 31 in reply Embassy note March 21 (despatch 370, March 25 [3]).

2. No change Soviet position *Amerika*.

3. We plan request payment for January, February, March issues *Amerika*, January payment especially being overdue. This may cause Soyuzpechat attempt return "unsold" copies. Embassy can, of course, refuse accept delivery but Soyuzpechat presumably will pay only for those copies it admits were "sold". Further, returned copies which are undated may be useful as "handouts" in Germany, Austria, and elsewhere.

4. We feel Department must reach early decision as to whether it worthwhile attempting continue magazine in face apparent Soviet intention effectually to prevent it being read.

5. In view expense and improbability *Amerika* will reach any appreciable number Soviet readers, we doubt it in our interest continue and feel timely cessation publication basis issues involved considerably preferable gradual strangulation. Since British Foreign Office foresees early demise "British Ally" (Embtel 1031, April 4 [4]), we suggest Department discuss with British along this line with view both magazines ceasing publication same time. Simultaneous cessation would enhance publicity effect and explanatory statements might underline point that Soviet action taken against free world's publications and not just against *Amerika*.

6. Meantime recommend that only 35,000 copies future issues be published, of which only 25,000 be forwarded Moscow for distribution (balance presumably could be utilized Germany, Austria, Poland, and other areas).

7. In present circumstances we feel that to pursue further offer of lower price for *Amerika* would confuse basic issue and weaken US position.

KIRK

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[1] This telegram was relayed to London at 2:40 p. m. on April 4 and to INP in New York at 1:00 a. m. on April 5.

[2] *Infra*.

[3] Not printed, but see footnote 1, p. 1127.

[4] Not printed.

511.614/4-450 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

RESTRICTED Moscow, April 4, 1950—1 [*8?*] p. m.

1033. *Translation*:[1] As Embassy USA knows, sale of magazine *Amerika* in USSR since 1944 has been conducted and continues to be conducted by trade organization "Soyuzpechat". Magazine *Amerika* is sold at present time, as in previous years, in numerous Kiosks of "Soyuzpechat" in more than 70 cities of USSR, including Vladivostok, particularly mentioned in letter Mr. Barbour. Thus observation of Embassy on change methods distribution magazine *Amerika* is lacking in any foundation.

Embassy already has been informed that recently fall in demand on part Soviet readers for magazine has been observed, in regard which Soyuzpechat "is compelled to return to publisher unsold copies magazine in order not to suffer loss. It is clear, however, that Ministry cannot have influence for increasing demand on part Soviet citizens for magazine *Amerika*.["]

Respecting matter price magazine, that entirely within competence Embassy.

In his letter Mr. Barbour also refers question of conditions of distribution information bulletin Embassy USSR Washington and asserts that bulletin is allegedly freely distributed in US. This assertion, however, is contrary to facts showing that officials USA systematically put obstacles in path distribution information bulletin. Reports of such facts have been published even in American press.

Sent Department 1033, Department pass London 130. Pass to Saunders INP New York.

KIRK

[1] This is the translation of the note of March 31 from Minister of Foreign Affairs Vyshinsky with the omission of unessential words. The complete translation was sent as despatch 407, from Moscow on April 6; not printed.

661.80/4-750 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

SECRET Moscow, April 7, 1950—7 p. m.

1074. With regard to the general question of Soviet aims in Near East, which include as major objective the acquisition of oil producing areas, it would seem the US is obliged in its own self-interest to further all moves which will increase the ability of states in that region to resist Communist pressures. In addition to sound political and economic structures, these states also require a certain level of military potential which is an important factor in western over-all

defense measures. Importance of Suez Canal is obvious to all, and again an object of American self-interest.

As we have continuously reported, our estimate of Soviet intentions is to push everywhere and to vary pressure according to resistance encountered. At present Kremlin attention is more openly directed towards SEA and Germany but by reason of interior positions Soviets can push outwards, all around, all the time. We are becoming concerned more and more with Politburo interest in Persia, and reverberations from that rich oil producing country can resound westward into other Near East states with startling speed.

In consequence it seems timely to insure our own and our allies attention does not waver nor be distracted by events in other areas nor by local frictions which tend to overlook broader aspects.

KIRK

601.6111/4-1050

Memorandum for the Files by the Director of the Office of Eastern European Affairs (Yost)

CONFIDENTIAL [WASHINGTON,] April 10, 1950.

Assistant Secretary Perkins and I called today on Assistant Secretary of the Treasury John S. Graham to discuss the recent series of compaints which have been received from the Soviet Embassy in regard to the treatment of Soviet diplomatic couriers arriving in this country. We pointed out the extreme importance to our Embassy in Moscow of US couriers proceeding there being accorded satisfactory treatment and the extent to which the Soviet authorities were likely to go in retaliating against our couriers if any shortcomings in our treatment of their couriers here afforded them a pretext for so doing. We said that the Soviets are at present according satisfactory facilities to our couriers but are doing this on a "reciprocal" basis. We urged therefore that the US customs authorities (1) endeavor to give Soviet couriers as expeditious treatment as possible upon their arrival in this country, particularly giving them priority over other non-official personnel, and (2) that the personal baggage of diplomatic couriers not be subject to inspection.

Mr. Graham read to us the reports received from the customs authorities in New York in regard to the cases in question which indicated that the delays had in fact been brief but did reveal that the personal baggage of the couriers is being examined. As to our first request, Mr. Graham said that it was standard customs procedure to give priority to diplomatic couriers and other foreign officials once their identity had been established but that the difficulty arose in establishing their identity before they came before the customs authorities

in their normal turn. He urged that we make every effort to notify the Treasury in advance whenever a Soviet courier is expected and assured us that if they did have such advance notification they would see to it that he is given priority treatment. As to our second request, Mr. Graham indicated that the personal baggage of all diplomatic couriers is examined in at least a perfunctory fashion and that he did not think it would be desirable to discriminate in favor of Soviet couriers. While he did not commit himself definitely, he indicated that the Treasury might be willing to waive inspection of the baggage of all foreign diplomatic couriers if the State Department should so request. He felt, however, that we would wish to review this whole question before making a formal request along these lines.

We agreed to review these two related problems in the light of the considerations he had presented and communicate with him again in the near future.

711.5622/4-1150: Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State[1]

TOP SECRET NIACT Moscow, April 11, 1950—2 p. m.

1093. Responding to request I called on Vishinsky at Foreign Ministry at noon today and he handed me note full translation in following telegram number 1094.[2] Note alleges violation territory at Libau on 8 April at 1739 hours Moscow time (minus 3 Z[3]) by USA plane B-29, intercepted by Soviet fighters, fire exchanged, no Soviet casualties, US plane disappeared to seaward.

Note was read by Vishinsky and translated by interpreter Pastoev[4] piecemeal. Vishinsky's manner serious but not aggressive nor antagonistic. I said note would be transmitted at once to my government and matter would be investigated.

Then asked questions on various points as follows: (1) visibility, was told adequate to read markings on incoming plane and to see signals (described as rocking wings by fighters); (2) were plane numbers recorded, answer only "markings"; (3) was plane clearly US

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[1] This telegram, as well as telegram 1094, was also sent for Lt. Gen. John Kenneth Cannon, Commander in Chief of United States Air Forces in Europe. Copies of both telegrams were handed to a representative of the United States Air Force in Washington at 10:55 a. m. on April 11. G. Frederick Reinhardt, Officer in Charge of Soviet Union Affairs and Acting Director of the Office of Eastern European Affairs, was notified at 9:40 a. m. of the arrival of these telegrams.

[2] *Infra.*

[3] Three hours later than Greenwich meridian mean time.

[4] Vsevolod Vladimirovich Pastoyev was an interpreter in the Ministry of Foreign Affairs of the Soviet Union.

and not British or French, reply plane clearly identified as US; (4) asked if any casualties, reply "Soviets none, as far as Vishinsky knew"; (5) questioned as to clock time in use by Soviet planes from Libau first reply was local Libau time, but Pastoev phoned at 1230 to say time was identified as "Moscow time" which is minus 3 Z.

Evident Vishinsky was not completely familiar technical aviation aspects of investigation, which terseness of note confirms. Note bears no notation indicating "confidential" or otherwise and question publicity did not arise. However, past record unreassuring this point, and by coincidence one Embassy employee just received phone call from Stockholm newsman asking if Embassy has news regarding Soviet plane down in Baltic (reply was of course negative).

I recommend speediest investigation and I be kept informed promptest. Further recommend publicity our side should be avoided or, if unavoidable, minimized. I did not have impression Vishinsky was preparing create situation of real gravity although his manner definitely serious and may mask something in propaganda line. Suspect also possibility Soviet planes may have in fact attacked US plane outside territorial waters and present *démarche* in nature offensive defense.

As regards foreign press correspondents Moscow I intend no comment for present, but if story breaks will say all comments must come from Washington.

KIRK

711.5622/4-1150: Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

TOP SECRET NIACT Moscow, April 11, 1950—2 p. m.

1094. Following is translation note referred my immediate preceding telegram:[1]

"Government USSR considers it necessary to state following to Government USA:

"According verified data, on 8 April this year at 17 hours 39 minutes, there was observed south of Libava (Libau) a four-motored military airplane B-29 (Flying Fortress) with American identification signs, which went into territory of Soviet Union for 21 kilometers. As American airplane continued going deeper into Soviet territory, flight of Soviet fighters arose from nearby airdrome, demanding that American airplane follow them for landing at airdrome. American airplane not only did not submit to this demand, but opened fire on Soviet airplanes. In view this, leading Soviet fighter was compelled return fire, after which American airplane turned toward sea and disappeared.

[1] *Supra.*

"Soviet Government states resolute protest to Government USA against gross violation Soviet border by American military airplane, which is at same time unheard of violation elementary standards International Law.

"Moscow, 11 April 1950".

KIRK

601.4161/4–1450 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State [1]

SECRET Moscow, April 14, 1950—1 p. m.

1130. Since revaluation ruble, Embassy has given careful consideration to desirability reduction its operations long [*along?*] lines apparently now decided upon by British (London's telegram 1954 April 12 [2]).

We are, of course, fully conscious importance all possible economies and appreciate effect magnitude increase operating costs at present level on Department's budget. However, in the light of all factors involved and particularly the crucial nature of our current relationships with the USSR, it is our firm conviction that curtailment of this Embassy's operations, which incidentally would be welcomed by the Soviets, would be detrimental to US national interests out of all proportion to the monetary value of the additional cost which continuance will entail. At the outside we estimate increased expenditures will amount to $1,000,000 additional, a sum which, though large in itself, cannot be considered of such importance as to affect policy considerations under world conditions as they now exist.

In our view same reasoning should militate against British decision and, aside from fact that reduction British Embassy here which is now roughly equivalent ours might conceivably have repercussions in nature increased efforts reduce size US Embassy, I suggest, if Department concurs, Embassy London might desire inform Foreign Office foregoing views and indicate we think British position ill-advised. Also note implementation British decision likely leave deplorable effect joint US–UK operations here, particularly JPRS.

KIRK

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[1] This telegram was relayed to the Embassy in the United Kingdom at 10:25 a. m., on April 14.

[2] Not printed. It was herein reported that the British were contemplating a decision to reduce the size of the Embassy in the Soviet Union by half because of the doubling of the exchange value of the ruble.

711.5622/4-1450

The Chief of Naval Operations (Sherman) to the Secretary of the Navy (Matthews) [1]

WASHINGTON, 14 April 1950.

Subj: Attack on United States Aircraft by Soviet Aircraft

1. The following facts are furnished for your information concerning the disappearance of a naval patrol plane on 8 April 1950, and the Soviet note of 11 April 1950:

(*a*) An unarmed Navy patrol landplane left Wiesbaden at 1031 (Greenwich time), on 8 April 1950 on a properly scheduled flight pursuant to directives of the Commander in Chief, U.S. Naval Forces, Eastern Atlantic and Mediterranean,[2] for purposes previously approved by the Chief of Naval Operations. It carried a crew of four officers and six enlisted men.

(*b*) The patrol plane reported by radio crossing the coast line of the British Zone of Germany two and one-half hours later.

(*c*) No further report has been received from the patrol plane or its occupants, and an intensive search by United States aircraft, assisted by those of friendly governments, has failed to locate the patrol plane or any of its occupants.

(*d*) Standing orders require that United States naval aircraft operating oversea routes in the European area adjacent to the USSR and its satellites "make no approaches closer than 20 miles to any shore of the USSR, its possessions or its satellites" and that they "shall not be armed".

(*e*) Reports from the home base of the patrol plane and from a first class petty officer, a member of the normal crew of the patrol plane, who had been left at Wiesbaden because of illness, verify that the patrol plane was unarmed.

(*f*) The United States Air Force had no aircraft of similar type in the Baltic area on April 8th, nor are there any missing.

(*g*) The missing patrol plane carried very complete navigational equipment; its pilots and crew were extremely competent, and the weather was good.

2. I am forced to conclude that the alleged encounter between the United States Navy patrol plane and Russian fighters did take place; that the Russian fighter did fire into the United States Navy plane as stated; and that the loss of the United States Navy plane and its ten occupants resulted from that firing. However, a relatively slow unarmed patrol plane could not have attacked a Russian fighter and the Soviet note is untrue in that regard. It is probably untrue also with respect to the location of the incident. It is not likely that competent

[1] This report by the Chief of Naval Operations, Admiral Forrest P. Sherman, was sent by the Secretary of the Navy, Francis P. Matthews, to the Secretary of Defense, Louis Johnson, who transmitted it to the Secretary of State, all on April 14.

[2] Admiral Richard L. Conolly.

personnel would fly over Soviet occupied Latvia, nor that Soviet fighters would break off action over land under such circumstances.

3. It is believed that the Soviet government is aware of the fate of the United States aircraft which was unarmed and unable to evade its attacker.

4. It is significant that four Soviet Air Force officers have been decorated [3] indicating that more than one fighter attacked the patrol plane.

5. It is recommended that the reply to the Soviet note accept the statement that a Soviet fighter fired into an American airplane about 1439 (Greenwich time) on April 8, 1950, but deny that the American airplane either fired at the Russian fighters or flew over the territory or territorial waters of Latvia. It is further recommended that the reply place responsibility for the disappearance of the patrol plane and its ten occupants on the unjustified attack by the Soviet aircraft.

6. The Commander in Chief, U.S. Naval Forces, Eastern Atlantic and Mediterranean, has convened a Board of Investigation in connection with the loss of the patrol plane, but it is unlikely that its findings will differ appreciably from the facts as already reported.

FORREST SHERMAN

[3] Four guards lieutenants of the Soviet Air Force on April 13 had been awarded the Order of the Red Banner by the Chairman of the Presidium of the Supreme Council of the Soviet Union, Nikolay Mikhailovich Shvernik, for the "excellent performance of their official duty." (Telegram 1132 from Moscow, April 14, 711.5622/4–1450)

711.5622/4–1550 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State [1]

TOP SECRET PRIORITY Moscow, April 15, 1950—2 p. m.

1143. Statements Admiral Sherman and General Vandenberg [2] plus weighing such press items and BBC broadcasts as are here available, lead, I fear, to presumption that Vishinsky's note April 11 must be interpreted to mean the missing Navy B–24 was shot down last Saturday after April 8, by the Soviet fighters in general area of Libau, and lost. It seems unlikely Soviets would have asserted (1) US plane was over land some 21 kilometers deep; (2) plane refused to answer signals and "open fire on Soviet airplanes"; (3) plane "turned toward sea and disappeared", unless they were virtually certain no survivors lived to refute such claims. However, it may be the Soviet note was decided upon after they learned our extensive search operations had been in progress, on the off chance some member of our plane had

[1] Mr. Reinhardt was notified of the arrival of this telegram at 1:15 p. m. It was also passed to London at 10:05 a. m. and to Paris at 2:30 p. m.

[2] General Hoyt S. Vandenberg was Chief of Staff, United States Air Force.

actually survived and might be rescued. On balance, I rather doubt this last hypothesis, as the former seems more probable and more in consonance with Soviet methods, practice and guile.

If our plane had crashed on land in USSR, I should still be surprised if Soviets would so admit and more so if anyone long survived such crash. (Nor do I discount entirely the idea planned attack in order to get possession of any special equipment in our plane.)

In other words, that Soviets have eliminated our plane, its crew, and destroyed the evidence, seems an almost inescapable conclusion.

We are consequently in difficult position in refuting what Soviets describe as "verified data", unless by some means the track of our lost aircraft was plotted, or signals were received from it during last critical moments of its flight, or either wreckage or survivors are found.[3] On the face of Soviets statements, our plane was in the wrong, it was over land, it opened fire first, and its intrusion was repelled as "turned toward sea and disappeared". The note of April 11 is diabolically cleverly worded and designed to create an atmosphere of "outraged virtue", now being exploited by streams of propaganda against US and Scandinavian neighbors.[4]

This Soviet note is further evidence of the determination of the Politburo to turn to their advantage on every occasion, whatever incident or accident may arise. It is indicative of their apprehension lest we learn openly or inadvertently anything whatever concerning their military establishment. It shows their concern over our technical advancement and our skills. It points, by their jealous safeguarding of certain areas, to significance and importance of those spots in their eyes. And it emphasizes their completely callous and ruthless disregard for human life, by their unconcern over the fate of our plane, which "disappeared".

(It must, I supposed, be accepted privately that the fliers in our plane were on an operational mission, and their lives lost in doing their duty to their best ability. For them the "cold war" turned "hot", and the long forgotten cry of "no quarter" was revived by these tartar fighter pilots, now apparently decorated for their job.)

After reflecting and reviewing what we here now know, I offer the following suggestions as to tenor and scope of our reply to Soviet protest:

1. Major premise these comments is that plane and crew have been completely lost with no trace; therefore:

(A) Soviet note April 11 seems difficult to contest on factual basis, except on

[3] Some pieces of wreckage found in the Baltic Sea were believed to be from this airplane.

[4] The comment had been reported in telegram 473 from Stockholm on April 12 that the newspaper *Svenska Dagbladet* had characterized the "pathetic rhetorics" in Vyshinsky's note of April 11 as coming from a person whose veracity "cannot be said to enjoy established reputation." (711.5622/4–1250)

(1) Type of our plane, alleged as "B–29 (flying fortress)", which is in error.

(2) Statement our plane "opened fire on Soviet airplanes" which Admiral Sherman's statement in Wireless Bulletin April 12 refutes, and on which we should be adamant.

(3) Locality, "south of Libau—which went into territory of Soviet Union for 21 kilometers", which same statement Admiral Sherman indicates against orders and improbable any such navigation error could exist, on Vishinsky's admission visibility conditions. We should insist this Soviet location inadmissible.

(B) Our reply might further

(1) Reject all contentions of wanton violation Soviet-controlled territory.

(2) Suggest incident was unwarranted and unnecessary attack on unarmed US plane in international waters, by four Soviet fighters (evidenced by decorations awarded mytel 1132, April 14 [5]).

(3) Comment no evidence any concern expressed by Soviets over further fate of our plane or its personnel, which between friendly powers in peacetime seems unusual lack of international courtesy.

(4) Comment on further exploitation incident by controlled Soviet press to increase tensions and alarms.

(5) State US Government cannot accept as sincere or frank Soviet exposition of this incident, but because of loss of plane and personnel, disproof not practicable.

(6) Close with statement denouncing callous action, but slanted so as to close incident and not invite prolonged recriminations, and intimate we cannot tolerate any repetitions.

(C) Suggest our reply be short, terse, and firm, definitely calculated to reassure our own people but avoiding fanning any hysterical tendencies.

2. Believe any suggestions Soviet indemnities or expressions condolences, et cetera, would be rejected out of hand.

3. From here, it would appear attitude to date our government and also American public is calm and poised and I believe this is having steadying effect. I suspect Soviets are less at ease, and feel harshness early comments controlled press (mytel 1119, April 13 [6]) possibly sign uncertainty. However, we should not overlook fact that Kremlin is feeling very cocky, is flushed with Asian successes, and is generally adopting confident line. There is some evidence but meager and for low levels (servants) that people are apprehensive lest this incident lead to dire consequences. Our reply can augment or dispel such concerns, but should definitely not convey impression we are weak-kneed and can be pushed around.

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[5] Not printed, but see footnote 3, p. 1144.

[6] Not printed.

It should go without saying that any repetition of such an incident could only have most serious consequences, and I would hope nothing untoward might occur in areas under our control.

KIRK

711.5622/4–1750 : Telegram

The Secretary of State to the Embassy in the Soviet Union[1]

TOP SECRET PRIORITY WASHINGTON, April 17, 1950—3 p. m.
NIACT

325. For the Ambassador. Fol reply to Sov note shld be delivered preferably late Tues[2] afternoon Moscow time. Advise Dept promptly time of delivery which shld not wait on appointment with individual official.[3] Dept contemplates release to press not later than noon Tues Wash time. (*Begin verbatim text*)

"The Ambassador of the US of Amer presents his compliments to the MinFonAff of the USSR and, with ref to the note of the Ministry of FonAff of Apr 11, 1950, has the honor to state that the only Amer mil aircraft which was in the air in the Baltic area on April 8, 1950, was a US Navy Privateer airplane which disappeared on that date and no trace of its crew has since been found.

The USN airplane carried ten persons. It was wholly unarmed. It left Wiesbaden at 10:31 a. m. Greenwich time for a flight over the Baltic Sea and two and one-half hours later reported by radio crossing the coast line of the Brit Zone of Germany. All Amer mil aircraft operate under strict instrs to avoid flying over any fon terr in the absence of express permission for such a flight from the appropriate fon govt. The investigation conducted by the USG has convinced it that the USN airplane in question complied strictly with these instrs and did not fly over any Sov or Soviet-occupied terr or terr waters adjacent thereto.[4]

In the ministry's communication under ref the Sov Govt acknowledges that one of its fighter aircraft fired upon an Amer plane on

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[1] This telegram was cleared with Secretary of Defense Louis Johnson.

[2] April 18.

[3] Ambassador Kirk reported in telegram 1166 from Moscow on April 18 that he had handed the note at 5 p. m. to Deputy Minister of Foreign Affairs Andrey Andreyevich Gromyko, who said that "it will be studied." The Ambassador remarked that his government took a very serious view of this matter, to which Gromyko assented. (711.5622/4–1850)

[4] The Latvian Minister and Chargé d'Affaires Jules Feldmans favored the Department of State with a note of April 12 which he handed to Llewellyn E. Thompson, Jr., the Deputy Assistant Secretary of State for European Affairs, and in which he stressed that Latvia was not recognized as being "Soviet territory" according to the "elementary rules of international law." He once again expressed his "solemn protest against this brutal and illegal occupation by the Soviet Union." In any note which the United States would make in reply to the Soviet Union's note of April 11, Mr. Feldmans was anxious that "care be taken not to state anything that would give the impression that the U.S. recognized *de facto* the occupation of Latvian territory by [the] USSR." He was reassured by Mr. Thompson that "we would be very careful of what we said." (711.5622/4–1250)

April 8, 1950 at 5:30 p. m. Moscow time. In view of the fact that the only Amer mil airplane which was in the air in the Baltic area on that date was the unarmed USN airplane mentioned above and that this airplane was at no time after it crossed the coast line of Germany over any fon terr or terr waters, it must be concluded that Sov mil aircraft fired upon an unarmed Amer plane over the open sea, fol which the Amer airplane was lost.

The Ambassador of the US has been instructed to protest in the most solemn manner against this violation of internatl law and of the most elementary rules of peaceful conduct between nations. The USG demands that the Sov Govt institute a prompt and thorough investigation of this matter in order that the facts set forth above may be confirmed to its satis. The USG further demands that the most strict and categorical instrs be issued to the Sov Air Force that there be no repetition, under whatever pretext, of incidents of this kind which are so clearly calculated to magnify the difficulties of maintaining peaceful and correct internatl relationships.

The USG confidently expects that, when its investigation is completed, the Sov Govt will express its regret for the unlawful and provocative behavior of its aviators, will see to it that those responsible for this action are promptly and severely punished and will, in accordance with established custom among peace-loving nations, pay appropriate indemnity for the unprovoked destruction of Amer lives and property." (*End verbatim quote*)

ACHESON

711.5622/4–1850

Oral Statement to the Press[1]

The American Ambassador at Moscow has presented to the Soviet Ministry of Foreign Affairs the United States Government's reply to the recent Soviet protest against an alleged violation of Soviet occupied territory by an American aircraft. The American reply corrects the distortions of fact which the Soviet Government has injected into the incident and puts the matter in its true light as an attack against unarmed Americans.

After investigation it has been determined that the facts of the matter are as follows: An unarmed American Navy plane with ten persons aboard was shot down by Soviet fighter planes over the open waters of the Baltic Sea. No survivors have been found despite an extensive search.

The Scandinavian Countries have been very helpful and cooperative in the humanitarian rescue work undertaken in connection with

[1] This statement was made by Chief Press Officer of the Department of State Michael J. McDermott on April 18, 1950. See the Department of State *Bulletin*, May 1, 1950, pp. 688, 693. The text of the note of April 11 from the Soviet Union was also released, *ibid.*, p. 668, and the note of this day in reply by the United States, *ibid.*, pp. 667–668. The statement was sent in full to the Embassy in Moscow in telegram 329 on April 18. (711.5622/4–1850)

the disappearance of this plane. The American Government is deeply grateful for their assistance, which has rendered possible the thorough search undertaken throughout the past week. By contrast, there has not been the slightest evidence of any concern on the part of the Soviet Government over the fate of our plane and its personnel. This seems an astonishing lack of common international courtesy and an unusual disregard for the loss of human life.

Moreover, the Soviet Government has thus far shown no sign of regret for its attack against an American aircraft. Instead, it has taken an aggressive tone and attempted to justify its action by impossible allegations. It has charged that the American aircraft fired first, when the American plane had nothing with which to shoot and was too slow a craft to attack fighters. Moreover, it has attempted further to confuse the issue with false propaganda claims and diatribes against the United States in the controlled Soviet press.

This attitude of the Soviet government shows clearly the insincerity of its oft proclaimed desire for peaceful relations with the United States and the non-Soviet world in general. The cause of peace is not furthered when the USSR ostentatiously decorates Soviet airmen in a manner calculated to give the impression that they are being rewarded for shooting down a defenseless American plane.

261.1122/4–1850 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

CONFIDENTIAL Moscow, April 18, 1950—4 p. m.

1163. Reference Embtel 1041 of April 4.[1] Yesterday Embassy received letter Anna Spiegel stating "due to my health and family complications, I temporarily refuse to depart to the US." Today Embassy officer called on Mrs. Spiegel to try to verify case in view of her oral statement made on 2 occasions to that officer that she urgently desired depart for US soonest. Apartment house where she lives guarded by armed militiaman, who however did not deny admittance to building. At apartment couple who claimed to be granddaughter and latter's husband refused to let officer see Spiegel, saying she Soviet citizen and didn't want to leave Soviet Union. It was apparent that couple and servants very perturbed.

Obvious that Soviet pressure put on family. This development follows 2 visits Embassy officials to Foreign Office to attempt to arrange Spiegel's early departure.

In view of foregoing and Soviet promise in note of February 28 to let Mrs. Spiegel leave Soviet Union, recommend publicity be given

[1] Not printed.

case; suggest Department inform Senator Paul Douglas[2] who has expressed interest. Embassy feels publicity can now do Mrs. Spiegel no harm and might conceivably force Soviets to reconsider.

KIRK

[2] Senator from Illinois.

CFM Files: Lot M-88: Box 149[1]

Policy Paper Prepared in the Department of State[2]

SECRET
[FM D B-23a]

[WASHINGTON, April 18, 1950.]

SOVIET INTENTIONS AND CAPABILITIES

1. *Basic Objectives*

a. The primary objective of the Soviet leaders must be to preserve their own absolute power in the USSR and, secondarily, in the satellites.

b. Subject to the limitations imposed by this primary necessity, the long-range objective of the Soviet leaders, as has been made clear by their words and actions, is to achieve a communist world under Soviet domination.

c. Communist ideology teaches that the collapse of capitalism is not automatic but must be brought about through active struggle. This belief, supplemented by the fact that the power position of the USSR rests in part on its international Communist network, compels the leaders of the USSR to preserve the militancy of their followers by deliberately generating hostility. The Soviet leaders consider themselves engaged in an irreconcilable and unceasing struggle against all non-communist countries, particularly the US. This struggle is considered to be essentially the same as war, with the ultimate objective

[1] The CFM Files are a consolidated master collection of the records of conferences of Heads of State, Council of Foreign Ministers and ancillary bodies, North Atlantic Council, other meetings of the Secretary of State with the Foreign Ministers of European powers, and materials on the Austrian and German peace settlements for the years 1943–1955 prepared by the Department of State Records Service Center.

[2] This paper was one of a series of policy and background papers prepared in the Department of State for the United States Delegation to the meetings of the American, British, and French Foreign Ministers in London on May 11–13, and the tripartite meetings of experts which preceded the ministerial meetings. Regarding these meetings, see the editorial note, p. 1192. A cover sheet attached to this text indicates that the paper, which was prepared in the Office of the Special Assistant for Intelligence, was fully approved within the Department of State. FM D B-23 dated April 13, a copy of which is included in the Department of State Central Files under 396.1-LO/4-1350, is identical with the text printed here, although it has a slightly different cover sheet.

of destruction of non-communist society. Uninhibited by any code of ethics or morals, the Soviet leaders consider all tactics or weapons which will contribute to the success of their aggressive plans admissible, bearing always in mind the first necessity of maintenance of the Soviet regime in power in the USSR.

2. *Basic Strategy*

a. Moscow's basic strategy is to exert constant pressure wherever non-communist capacity or will to resist is limited. This strategy of whittling away at the extremities of the Western power position while simultaneously seeking to undermine the actual centers of power has a double value: It serves to strengthen the Soviet position for any eventual all-out war with the Western powers, and it continuously exploits all possibilities of achieving the Kremlin's long-range objective without resort to direct military conflict with the Western powers.

b. This strategy thus far has succeeded. The USSR since 1939 has incorporated 280,000 square miles of territory, its political predominance now ranges from the Elbe to the South China Sea and, although it has suffered setbacks, none of these save Tito constituted a loss of territory Moscow already possessed.

It is also clear that in the immediate future dangerous pressure will be exerted, primarily through the Chinese Communists, against Southeast Asia, particularly Indochina and perhaps Burma. In the Middle East Iran represents a point of weakness where signs of increasing Soviet aggressiveness are now appearing. While there is no concrete evidence that armed action against Yugoslavia is contemplated, it cannot be excluded in view of the disintegrating effect of the Titoist heresy on World Communism.

c. Although Moscow habitually employs force in a limited sense in the operation of foreign communists, sabotage, strikes, et cetera, there has been no indication that Moscow intends at this time to alter its basic strategy and deliberately employ overt military force in conflict with the Western Powers. Yet Berlin and Vienna continue to rankle the Russians as intolerable, hostile penetrations within the Soviet power sphere. The growing threats of a Soviet-induced showdown in Berlin this spring and their downright sabotage of the Austrian treaty bear eloquent testimony of Soviet determination to continue and presumably augment pressure at these strategic points. Other areas subject to direct Soviet pressure, such as Yugoslavia and Iran, are only slightly less dangerous. It is always possible that the increasing confidence and inflexibility which the Soviet leaders have seemed to reflect in recent months may cause them to mis-calculate Western determination and capacity to resist aggression at such

points. In these circumstances, therefore, there always exists the possibility of the outbreak of open armed conflict.

A new and disquieting element is recent evidence of Moscow's intention for the first time to employ in Western Europe more or less overtly the secret activist formations of local communist parties in fomenting disorders and supporting political strikes. Such a tactic, if in fact carried out, would cause serious injury to the parties themselves and could only be explained as an operation in support of some wider and immediately pressing Soviet objective.

d. Available evidence would not seem to indicate any Soviet intention to withdraw from the UN at this time or to prolong its "walkout" from UN organs after the admission of the Chinese Communists. Willingness to indulge in a prolonged "walkout" suggests, however, a Soviet judgment that the UN is of decreasing value to the USSR and a readiness to risk a permanent break in order to attain important political objectives.

In spite of continuation of the "peace offensive" and of recently renewed emphasis on the possibility of "peaceful coexistence", there has been no evidence whatsoever of a Soviet desire or willingness to negotiate on reasonable terms a settlement of basic issues with the West. Soviet dogma in fact would seem to rule out any such settlement unless and until the Soviets are convinced that the strength and stability of the non-communist world has rendered the achievement of their basic objectives impossible in the foreseeable future.

3. *Soviet Capabilities*

a. The Soviet Government since the end of the war has maintained a military force in a state of readiness for action which gives it a general preponderance in military power on the Eurasian land mass. The population of the Soviet Union is younger than that of the Western powers with the result that a considerably greater proportion of the total population is of an age suitable for military service.

b. The total economic strength which the USSR has available for use in the struggle which it has undertaken compares with that of the US as roughly one to four. In 1949 Soviet national income was $65 billion, US national income $250 billion. In 1949 comparative production of key commodities emphasized the 4-to-1 ratio: *steel*, USSR, 21 million metric tons, US, 78 million; *oil*, USSR, 33 million tons, US, 276; *electric power*, USSR, 72 billion KWH, US, 410; *aluminum*, USSR, 135 thousand tons, US, 617.

c. This comparative economic weakness of the USSR is offset, however, by the fact that Moscow possesses a number of special advantages, particularly useful in the pursuit of its present strategy. These special advantages include:

(1) The ability to concentrate on any selected effort a large share of its total economic strength, without regard for consumer demand or public opinion.

(2) The capacity to mobilize and direct human resources through an elaborate system of rigid controls.

(3) The virtual monopoly on shaping the thinking of its people to believe in a world, not as it is, but as Soviet leaders desire it to appear.

5. [*sic*] *Soviet Vulnerabilities*

a. The Soviet power system by its very nature is subject to various vulnerabilities. These vulnerabilities by themselves will not seriously weaken the USSR. If systematically exploited through external pressures, however, they could produce repercussions which would weaken the Soviet power position and possibly bring about a change in Soviet policy.

b. These vulnerabilities include:

(1) Moscow's insistence on rigid control of the Soviet empire makes the development of an organized opposition difficult, but serves to lay the foundation of opposition, if favorable opportunity should develop, in that it is conducive of certain conflicts: (*a*) between the satellite state, as a state, and the USSR, as demonstrated by Tito; (*b*) between satellite governments and their people; and (*c*) between factions and individuals in satellite Communist Parties.

(2) Moscow's insistence on open subservience by Communist Parties in still independent countries creates a potential for deviationism in these Parties from Soviet leadership.

(3) The Soviet dictatorial system, with power centered in the hands of a small clique, makes for constant jockeying for position among the Soviet leaders and, regardless of the preparations made, raises the possibility that after Stalin's death, the transfer of power will precipitate various weakening disruptions.

(4) The Soviet system of internal controls contains seeds, which, given an opportunity, could produce real difficulty. Popular morale is generally low as a result of a continuing poor standard of living. Workers are still under rigid war-time labor controls, peasants have lost their previous gains, intellectuals are subject to continuing repression, and national minorities (40 percent of the Soviet population) are still unreconciled to Great Russian rule.

(5) Economic shortcomings within both the USSR and its satellites provide a pressure point. The Soviet Union has taken on economic obligations in Eastern Europe and China which it is incapable of fulfilling. In addition, it faces shortages in raw material (tin, natural rubber, certin non-ferrous metals) and industrial items (spare parts for machinery purchased in the West, precision instruments, complex machine tools, special purpose bearings, electrical equipment, railroad equipment).

(6) The effectiveness of Communist propaganda in the non-Communist world is threatened by the gap between the Soviet myth of a Communist Utopia and the reality of life under Communist rule.

CFM Files: Lot M-88: Box 149

Policy Paper Prepared in the Department of State [1]

SECRET [WASHINGTON, April 20, 1950.]
[FM D B-21b]

NEGOTIATIONS WITH THE SOVIET UNION

General Attitude toward the Soviet Union

Our general attitude toward the Soviet Union arises from the recognition of the fact that the posture of the Kremlin toward the West is, on grounds of basic doctrine, one of irreconcilable hostility and of disbelief in the possibility of permanent coexistence. Our attitude is therefore compounded of the following elements:

(1) A determination not to tolerate direct aggression against any of the NAT states or any other state toward which we have assumed special security commitments or have a special security interest, and an equal determination to place ourselves in readiness, as rapidly and thoroughly as possible and in conjunction with our Allies, to meet such aggression if it occurs;

(2) A willingness to consider at any time the wisdom or necessity of extending or modifying these security commitments as the scope or direction of Soviet aggressive intentions and capabilities appears to alter;

(3) A firm adherence to our commitments under the UN Charter having to do with the pacific settlement of disputes, and with action with respect to threats to the peace, breaches of the peace, and acts of aggression;

(4) A resolve to engage more vigorously and effectively in the prosecution of the "cold war", particularly in those areas most seriously threatened by indirect aggression and, to the extent feasible, within Soviet and satellite territory and to take jointly and severally whatever steps may be necessary to enable us to check such aggression and to recapture the initiative in the political, economic and propaganda fields;

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[1] This paper was one of a series of policy and background papers prepared in the Department of State for the United States Delegation to the meetings of the American, British, and French Foreign Ministers in London on May 11–13 and the tripartite meetings of experts which preceded the ministerial meetings. Regarding these meetings, see the editorial note, p. 1192. A cover sheet attached to this text indicates that the paper, which was drafted in the Office of Eastern European Affairs, was fully approved within the Department of State and by the Secretary of State.

The Department of State files contain four versions of the paper printed here. There were only minor drafting differences between FM D B-21 of April 12, not printed, the earliest version of this paper, and the text printed here. FM D B-21a of April 14, not printed (a copy of which is included in the Department's Central Files under 396.1-L0/4-1450), was identical with the text printed here but had a different cover sheet. FM D B-21c of May 6, the last version of this paper, incorporated certain amendments, indicated in footnotes 2 and 5, below, which were recommended by the Joint Chiefs of Staff. The views of the Joint Chiefs of Staff on FM D B-21, set forth in an undated memorandum from the Joint Chiefs to the Secretary of Defense, were circulated in the Department of State as document FM D B-21/1 of May 3, not printed. All versions of the FM D B-21 series are included in the CFM Files: Lot M-88: Box 149.

(5) A readiness at any time to negotiate with the Soviet Union on any issue, large or small, on which agreement seems likely and even, in the absence of such likelihood, to continue or initiate whatever form of consultation, within or outside the UN, proves to be possible, provided that such consultation is agreed by our Allies [2] and seems likely to strengthen rather than weaken the moral position of the West; and

(6) Recognition of the advantages of continued Soviet membership in and collaboration with the UN, provided the Soviets do not attach conditions to such collaboration which are destructive of the essential objectives of the Western powers and of the UN itself.

The further implementation of point (1) will be considered by the NAT Council [3] in conjunction with the reports of its various committees. Certain eventualities which might arise under point (2) will be considered by the three Foreign Ministers. Certain objectives under point (3) will be considered both by the three Foreign Ministers and by the NAT Council in conjunction with proposals for broadening its scope and functions. Point (4) and, to a limited extent, point (5) are examined in this paper.

Negotiations with the Soviets

In view of the increasing pressure here and in Europe for broad negotiations with the Soviets, it seems worthwhile to review once again as briefly as possible (1) whether such negotiations are desirable or necessary at this time or in the near future, (2) if so, what should be their general scope and content, (3) in what forum should they be conducted, and (4) when should they take place.

1. *Are they desirable?* There is rather general agreement in the West that a broad negotiation with the Soviets now will not lead to positive results because neither side will yield on fundamentals and it is fundamentals which must be settled if tension is to be relaxed. Only a substantial relaxation in tension will satisfy the peoples of the world that the negotiation has succeeded. Such a relaxation is possible only when Western political, economic and military strength has developed to such a degree that the Kremlin concludes that its strategy, if not its goals, must be modified. From this point of view a broad negotiation, as contrasted with continuing piecemeal negotiations in normal channels, is undesirable because it will fail and may aggravate tension.

Are they necessary? On the other hand, it is clear that neither the conscience nor the nerve of the West is as steady as could be

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[2] In FM D B-21c of May 6 (see footnote 1, above) at this point the wording was modified to read: "is agreed by our Allies, is consistent with paragraph (4) above." It was explained in FM D B-21/1 of May 3 (see footnote 1, above) that the Joint Chiefs of Staff recommended this amendment in order to assure that moral positions might not be achieved at the cost of weakened security positions.

[3] The North Atlantic Treaty Organization Council held its fourth session at London, May 15–18, immediately following the meetings of the American, British, and French Foreign Ministers. Documentation on the participation of the United States in the North Atlantic Treaty Organization is presented in vol. III, pp. 1 ff.

desired. This deficiency can be corrected in part by developing strength but there is increasing evidence, reflected in statements by leading public figures and in the press of many Western countries, that the public may not be satisfied in its own mind until at least one more effort at a general settlement with the Soviets has been made. It may, moreover, be unwilling to postpone the effort until we are stronger. In fact, it may prove that Western opinion will not support the drastic measures necessary to establish a position of strength vis-à-vis the Soviet Union in the military, political and economic fields until it has once more been demonstrated that settlement by negotiation is at this stage impossible. Regardless of our preferences, therefore, we should prepare for the eventuality that broad negotiations may be necessary this year. No negotiation should be undertaken, however, until the principal Western powers are in agreement as to their necessity and their character.

2. *Scope and content.* It can be safely assumed that the Soviets will (*a*) consider the offer of such negotiations as a sign of weakness and confusion in the West, (*b*) not be prepared for real compromise, and (*c*) utilize the negotiations primarily for propaganda purposes.

The difficulty of the Western governments will be that (*a*) they must not make vital concessions for which they can expect no honest *quid pro quo* at this time, yet (*b*) they must convince their peoples they are making a sincere effort to reach agreement. This difficulty is not insoluble and if solved the negotiations may mark a substantial gain in the resolution, understanding and unity of the Western peoples.

To accomplish these purposes the negotiation, if held, must deal with the principal outstanding issues between East and West. The Western public will not be satisfied either with an ineffective assembly devoted primarily to speech-making nor a narrow conference limited to two or three of the lesser current issues. The negotiation, moreover, must if it is to carry out the Western intention of taking the initiative in the cold war, deal not only with issues created by Soviet intervention in the West but also with conditions in the East created by Soviet denial of fundamental liberties to its subject peoples, particularly in the satellites. A negotiation which will meet these desiderata should deal with such problems as the following: (1) control of atomic energy, (2) disarmament, (3) Germany, (4) the Far East (China, Japan, Southeast Asia), (5) implementation of Declaration on Liberated Europe (Yalta),[4] (6) Human Rights, (7) peaceful settlement of disputes through UN machinery, (8) Cominform activities outside the Soviet sphere, and (9) the Iron Curtain against the free flow of information.[5]

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[4] For the text of the Declaration on Liberated Europe, included as Part V of the Report of the Crimea (Yalta) Conference of the Heads of Government of the United States, United Kingdom, and the Soviet Union, February 11, 1945, see *Foreign Relations*, The Conferences at Malta and Yalta, 1945, p. 971.

[5] In FM D B–21c, May 6, which incorporated amendments recommended by the Joint Chiefs of Staff (see footnote 1, above), the final sentence of this paragraph was revised to read as follows:

"A negotiation which will meet these desiderata should deal with such problems as the following: (1) control of atomic energy and international regulation of all forms of armament and armed forces; (2) general settlement of problems with respect to Germany, Austria, and Japan, to be considered concurrently with (1) above if practicable; (3) China and Southeast Asia; (4) implementation of Declaration on Liberated Europe (Yalta); (5) human rights; (6) peaceful settle-

We do not need to fear the broadest sort of scope as long as we recognize that the object of the exercise is to demonstrate to the people of the West that our position on these issues is reasonable and just but is unacceptable to the Soviets. With this end in view we should present on each of the above issues concrete proposals which *will* be reasonable and just and which, taken together, will debunk the Soviet peace offensive and enable us to take the offensive in the cold war.

It must be recognized, however, that the Soviets for their part will, should general negotiations be held, present certain proposals which would be wholly unacceptable to us and which would be primarily designed to embarrass us propagandawise. Such proposals might include: (1) immediate conclusion of a German peace treaty to be followed by troop withdrawal; (2) CFM negotiation of a Japanese peace treaty to be followed by troop withdrawal; (3) general diplomatic recognition of the Chinese Communist regime and its admission to all organs of the UN; (4) withdrawal of French forces from Indo-China; (5) cessation of US military assistance to Korea; (6) termination of NAT and MDAP; (7) abolition of existing stocks of atomic weapons and limitation of conventional armaments; and (8) a new "Pact of Peace." The Western powers would presumably wish to feel assured that they were in a position to deal with such Soviet proposals before initiating general negotiations.

3. *Forum.* The possible forums which have been suggested include: (1) the UN Assembly, (2) a general disarmament conference, (3) the UN Security Council, (4) Atomic Energy Commission (for this subject only), (5) the CFM, (6) the Big Three, (7) Truman-Stalin or their representatives, and (8) diplomatic channels.

Of these, (1) and (2) are so broad as to be obviously ineffective and intended for propaganda only; (4) is too narrow because limited to one subject only, even if the most important; (6) and (7) are too narrow because they exclude any representative of the European continent; (8) is too undramatic to meet the popular demand. The UN Security Council and the CFM would appear the preferable bodies. The first has the advantage of being within the UN framework and of including states representative of the various areas of the world, over and above the Big Five; on the other hand, it has the disadvantage of including two states, India and Yugoslavia, which profess a kind of "neutrality" and the behavior of which at the meeting would be unpredictable. It should be noted that the Soviets would presumably sit in neither of these bodies without the Chinese Communists.

It is supposed that whichever body met would, unless its meeting ended in total and avowed fiasco, refer at least some of the problems it had considered to other appropriate organs for continued examination and report to governments. In this way topics, such as atomic energy, lifted out of proper channels for this meeting, would be restored to those channels at its close.

4. *Timing.* There should be *no* hurry to proceed with such a negotiation. Lapse of a few months may demonstrate whether the public demand was a transitory reaction to the Soviet development of the A-bomb and projected US development of the H-bomb or whether it

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ment of disputes through the United Nations machinery; (7) Cominform activities outside the Soviet sphere; and (8) the Iron Curtain against the free flow of information."

500-421—80——74

represents persistent sentiment which requires satisfaction if the resolution and sophistication necessary to an adequate development of strength are to be engendered in the West.

The question should be discussed by the three Foreign Ministers and, if there is a common feeling that negotiation with the Soviets may soon become necessary, a tentative agenda might be agreed and instructions issued for preparatory work. The negotiation should not in any case be opened, however, until there is general agreement among the Three (1) that it is necessary, (2) on procedure, and (3) on the joint positions to be presented. The negotiations could hardly be held, moreover, until representation of the Chinese Communists has been accepted.

5. *UN Considerations.* Considerable sentiment exists to the effect that the situation created by the Soviet walkouts must be corrected soon if the UN is not to suffer serious damage. It is presumably with this situation in mind that the Secretary General has proposed a special meeting of the Security Council under Article 28 of the Charter. Should the Western powers agree that negotiations should be initiated with the Soviets and that they should take place in the Security Council, that decision would automatically take care of this situation, assuming that the Chinese representation question had first been settled. Indeed the settlement of the Chinese representation question alone might suffice to relieve present anxieties concerning UN. However, it is believed that the three Foreign Ministers, in considering the advantages and disadvantages of negotiations with the Soviets and of holding a special meeting of some kind for that purpose, should also have in mind the UN aspects of the problem. It is possible that, even though they should decide that a general negotiation with the Soviet Union is undesirable at this time, they might nevertheless feel that the interest of the UN demanded that, before the next General Assembly, there be a special meeting of the Security Council under Article 28 which might solemnize the settlement of the Chinese representation question and might deal with two or three other issues of primary UN concern. It is not our view at this writing that a special Security Council meeting of this limited character could meet the central purpose of strengthening Western morale and resolution, but it is possible that it could, under certain circumstances, have an invigorating effect upon the UN and hence deserves serious consideration.

711.5622/4–2150 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

RESTRICTED PRIORITY Moscow, April 21, 1950—2 p. m.

1193. Following is translation Soviet note April 21 :[1]

In reply to note of Government of USA April 18 this year, Government of USSR considers it necessary to state following:

[1] At Minister of Foreign Affairs Vyshinsky's request, Ambassador Kirk reported in his preceding telegram 1192 of April 21, he called at noon of this day and received the reply to the United States note of April 18. Vyshinsky summarized its contents for the Ambassador and said that the note would be published "late this afternoon" allowing time for its transmission to Washington. Ambassador

As was already communicated in note of Soviet Government of April 11, the American airplane which violated Soviet frontier south of Libava (Lepaya) according to verified data, was a four-motored military airplane B–29 ("Flying Fortress"), which not only did not submit to demand of Soviet fighters to follow them for a landing at aerodrome but opened fire on Soviet airplanes. After the leading Soviet fighter was compelled to return fire, American airplane turned toward sea and disappeared.

Such are facts established by due verification.

In note of Government of USA of April 18, there is contained a series of proofless assertions which are refuted by accurately established facts.

In this note, for example, Government of USA asserts that only American military airplane which was in air in region of Baltic on April 8 was an airplane of the Naval Aviation of the USA of the type "Privateer". However, it has been accurately ascertained that an airplane B–29 ("Flying Fortress") with American identification signs was flying over Soviet territory south of Libava (Lepaya).

The Government of the USA declares that above-mentioned airplane supposedly did not violate Soviet frontier and was not armed. However, according to verified data at disposal of the Soviet Government an American airplane B–29 ("Flying Fortress") on April 8 of this year violated the state frontier of the USSR in region of Libava, penetrating into territory of the USSR for 21 kilometers, and shot at Soviet fighters.

These facts fully refute statements of Government of USA both to effect that American airplane did not violate frontier of Soviet Union and to effect that it was allegedly unarmed.

In light of these facts the above indicated assertions of Government of USA cannot be assessed otherwise than as an attempt to evade responsibility for gross violation of international law.

In its note Government of USA also declares that it "demands that most strict and categorical instructions be issued to the Soviet Air Force", to avoid repetition of incidents of similar kind, that the Soviet side should allegedly bear responsibility for the incident which did occur and that it should pay compensation for loss of American airplane.

Soviet Government cannot take under consideration above indicated demands, as clearly absurd and deprived of any foundation whatever.

It is not difficult to understand that any aviation of any country, under obligation to guard the inviolability of its frontiers, should conduct itself in exactly such a manner as Soviet aviation did, in a case of violation of the frontier of its country by a foreign plane.

Kirk observed that Vyshinsky was "calm, unruffled, not vindictive nor aggressive." (711.5622/4–2150)

Note of American Government confirms that the American airplane, which violated the frontier of the Soviet Union, was wrecked. Soviet Government has no data on this matter but if the American airplane was actually lost then responsibility for its loss rests exclusively on those gentlemen who obliged the American airplane to penetrate into Soviet territory to photograph Soviet defense installations and thereby pushed it into violation of international law and of the inviolability of Soviet frontiers.

As concerns instructions for Soviet aviators of which American note speaks, an appropriate instruction has already existed for a long time and needs no changes whatever. This instruction reads: On occasion of violation of the frontiers of USSR and penetration into Soviet territory by a foreign airplane, Soviet aviators are under obligation to compel it to land at a Soviet aerodrome and in case of resistance to open fire on it.

Finally the Soviet Government considers it necessary to direct special attention to fact that Government of USA, as may be judged by its note of April 18, in place of an objective answer to note of Government of USSR of April 11 is sheltering the unlawful actions of several of its subordinates who have stained themselves with gross violation of generally recognized standards in international law.[2]

In view of what has been stated, Soviet Government confirms its resolute protest to Government of USA against the gross violation of its frontiers by the American military airplane.

KIRK

[2] Senate Majority Leader Scott Lucas on April 19 had offered a Joint Resolution (S. J. Res. 166) for "the award posthumously of an appropriate decoration to the members of the crew of the United States Navy Privateer who lost their lives in or over the Baltic Sea while in the performance of duty." The Senate accepted the resolution by a 66–0 vote. (711.5622/4–2050) The House of Representatives adopted it unanimously on April 21.

511.6121/4–1950 : Telegram

The Secretary of State to the Embassy in the Soviet Union

SECRET WASHINGTON, April 21, 1950—7 p. m.

345. Embtels 1021, Apr 3; 1031, 1032, 1033, Apr 4; 1153, Apr 17; and 1170, Apr 19.[1] Dept considers continued circulation *Amerika* valuable even if well below present levels, and desires maintain stubborn front against obvious Sov plan kill off magazine quietly.

Therefore proposes immediate notification price cut to Soyuzpechat, as outlined below, accompanying heavy domestic and worldwide publicization Sov and satellite restrictions against freedom of info.

[1] Only telegrams 1032 and 1033 are printed. The other telegrams covered Embassy comments on the difficulties encountered in the distribution of *Amerika* and on arrangements concerning payments for issues with Soyuzpechat.

Dept fully recognizes firm intent and probable eventual success Sov effort choke off magazine, but determined make this costly as possible in terms delay and world publicity. Believe fuller record must be built up and attention focussed on struggle while still continuing.

Re coordination with Brit, Dept believes this wld not strengthen publicity materially and conversely might give appearance calculated propaganda move. Therefore propose you inform Brit Emb above views and propose they act similarly but not simultaneously.

Fol steps with Soyuzpechat proposed for ur immediate action unless you prefer further discussion or alternative proposals:

Emb officer to deliver fol terms in writing to appropriate Soyuzpechat official, but avoid immediate discussion:

1. Emb is not satisfied that *Amerika* magazine is being effectively circulated to Russian people.
2. Meanwhile it assumes SovGov and Soyuzpechat are interested in continuing distribution of 50,000 copies per month of *Amerika* which Foreign Ministry and Soyuzpechat have undertaken to perform. Correspondingly, Emb wishes to cooperate by removing any possible obstacle to *Amerika* sales.
3. Therefore, effective immed, retail price of all future issues of *Amerika* or unsold copies of past issues, is cut to three rubles, in recognition of past observations of Soyuzpechat officials on price of *Amerika*. Of this price, it is proposed that Soyuzpechat retain one ruble.
4. Soyuzpechat is hereby authorized to overprint new price on issues 39, 40 and 41, and on any unsold copies of earlier issues, expense of this overprinting to be credited to its account with Emb. USGov will undertake print or overprint new price on all later issues before delivery.
5. It is assumed that Soyuzpechat will make magazine widely available throughout Sov Union, and will consider redistribution of older copies which it has reported to be unsaleable at old price.
6. In view of unsold copies involved, and expense to Soyuzpechat of overprinting, question of payments due Emb on issues 36 through 41 will be deferred until Sep 1, 1950. *End submission to Soyuzpechat.*

Payment negots reported Embtel 1153, Apr 17 [2] may require modification point six above.[3]

Dept recognizes price cut may appear weak move some respects. It favors move nevertheless as means confusing and delaying Soyuzpechat strategy and thwarting immediate return unsold copies, also as helping build record US willingness cooperate. Will also forestall Sov claim price impossibly high under new exchange rate although

[2] Not printed.

[3] As a result of further consideration of the question of payments due, when the letter to Soyuzpechat was transmitted on May 26, point six was somewhat modified. The Embassy reported in telegram 1486 from Moscow on May 26, not printed, that paragraph six read: "Payments on issues 36 through 39 will be deferred until September 1, 1950." (511.6121/5-2650) For other changes proposed in the final wording, see telegram 426 to Moscow on May 18, p. 1196.

Amerika price cut shld not be tied in any way to current issue of ruble-dollar relationship.

Will appreciate advice Emb reaction and proposed action soonest.

ACHESON

711.5622/4–2350 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State [1]

SECRET PRIORITY Moscow, April 23, 1950—4 p. m.

1210. Embtel 1202, April 22.[2] Soviet note of 1 [*21*] April in rebuttal to ours of 18 April does not vary widely from what might have been expected, namely adherence to line decided upon by Politburo with no deviations and no concessions. It does not seem to be measurably stronger or more provocative and the phraseology is in consonance with customary Soviet diplomatic language. As already reported the Soviet note of twenty-first and ours of eighteenth are published in full and on bulletin boards in streets of Moscow, being eagerly read in silence by crowds. There is some reason to believe Russian public were anxious over original Soviet note of 11 April and policy adopted by Kremlin of publishing both subsequent notes may reflect Politburo reaction thereto. At least a few Soviet citizens have indicated impatience with what they accept as true version, namely an attempt to photograph Soviet defences (this idea is fostered in Soviet reply 21 April), showing party line has not been ineffective. The persistence with which Soviets name our plane "B–29 (Flying Fortress)" appears significant probably basically stemming from fact Politburo rarely retreats from position once taken, but also possibly for conscious purpose confusing some into supposing there were two American planes involved (see Warsaw 557 to Department April 20 [2]). It is likewise possible this error is being restated in order refute any contention our part that B–24 had insufficient speed to reach scene of alleged territorial violation (Libau) at hour so explicitly fixed by Vishinsky as 1730 Moscow time on 8 April.

After consideration of note of 21 April, it is suggested we have several courses of action to choose from, among others the following:

1. Reply in surrebuttal, countering point by point the Soviet claims and challenging their "verified data". Suggest conclusion should be firm without, however, taking position which we are not prepared to enforce.

2. Reply stating irreconcilable positions can only be resolved by impartial tribunal and offering to place the matter before International

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[1] Mr. Reinhardt was notified of the arrival of this telegram at 12:15 p. m. It was also relayed on April 23 to London at 10:10 a. m. and to Paris at 10:30 a. m.

[2] Not printed.

Court of Justice, provided we have collected our own "verified data" and realize there may be two aspects on such procedure, (*a*) one in which we are plaintiff—i.e. shooting down our B–24 plane over international waters, and (*b*) other in which we could be defendant—i.e. Soviet claim our B–29 violated Soviet-controlled territory near Liban.

3. Make no reply to this note of 21 April, thus letting matter drop.

Department is, of course, in best position to judge desirability any of above possibilities from standpoint of all factors involved, but it may be noted that the second alternative would seem to have the added attraction of emphasizing our good faith in being prepared to submit dispute to established impartial peaceful adjudication, even if, as anticipated, the Soviets should decline to agree to such a proposal. Perhaps alternative number (1) is preferable at this stage, with alternative (2) in reserve. In either case, we would thus be committed to further exchanges of notes, a feature not altogether desirable.

KIRK

511.6121/4–2550 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State[1]

SECRET Moscow, April 25, 1950—5 p. m.

1219. Dept's 345, April 21. It seems to us that basic considerations affecting further steps towards maintenance of *Amerika* magazine lie in statement that Department determined make Soviet efforts terminate magazine as costly as possible in terms delay and world publicity and in Department's belief that record must be built and world attention focused struggle while still continuing.

We regret that we believe there are important factors which appear likely to complicate Department's estimate and proposed action. In first place it would appear that the fact the magazine is a Soviet censored publication might at least partially compromise our maintaining that the issue of freedom of information is squarely involved and we find it difficult to anticipate that domestic and world opinion would be materially aroused over the fate of *Amerika* magazine in the light of current graver developments and the magazine's anomalous position.

In any event we are doubtful that additional exchanges with Soyuzpechat with concurrent publicity will serve to clarify the record or the issues involved. The Soviet position that demand has diminished is difficult to disprove conclusively with the magazine under Soviet distribution and the well publicized behavior of the Soviets in ruthlessly discouraging contact with the West in all fields lends

[1] This telegram was relayed to London at 1:43 p. m. on April 25.

credence to their claim that purchasers are in fact disappearing. To continue correspondence would seem likely to give Soviets additional opportunities to emphasize their attitude and it is difficult to see what it would add to our counterposition.

In our opinion in place of the Department's proposal we would be better advised (1) to accept payment for 19,000 Soviet copies of January issue and to accept return of the unsold copies; (2) to continue to furnish 50,000 copies to Soyuzpechat of future issues already printed or in preparation; (3) to cease immediately the preparation of further issues; and (4) to withhold publicity until subsequent copies have been delivered, then in the absence of intervening developments, to announce cessation of publication with suitable publicity.

However, if despite foregoing Department still prefers to follow line proposed Deptel 345, we believe following amendments therein essential. Re numbered paragraph 2, assumption Soviet Government and Soyuzpechat are interested in continuing distribution of 50,000 copies is unrealistic in light attitude Foreign Office has taken in discussions on the subject and should be eliminated as merely tending confuse the problem. As back cover is only place space appears and seems doubtful wisdom authorize Soyuzpechat undertake such over printing which could involve exorbitant charges and interminable delays more advisable procedure would seem to be to have Department provide gummed stamps to be affixed to issues 40, 41 by USIS personnel. No useful purpose is seen in proposal in numbered paragraph 6 to defer payments. Soyuzpechat has notified us that they will make payment for 19,000 copies issue 36 within next few days.

In circumstances Department's further instructions would be appreciated.

KIRK

661.00/4-2550

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

TOP SECRET

Moscow, April 25, 1950.

No. 514

SIR: I have the honor to enclose herewith a Report entitled "Soviet Intentions", prepared under my direction by the Embassy's Joint Intelligence Committee, which includes various specialists of the Embassy and the Attachés of the Military Establishment. This Report is the current or 1950 edition of an "Analysis of Soviet Intentions", submitted last year as Despatch No. 202 of April 6, 1949.[1]

[1] *Foreign Relations*, 1949, vol. v, p. 603.

In telegram no. 1214 of April 25, 1950,[2] the conclusions of the Joint Intelligence Committee were summarized substantially as follows:

"Moscow is waging total war against the Free World, a ruthless and unrelenting struggle within which "Cold War" and "Shooting War" are merely tactical phases. They are currently endeavoring to make the most of the tidal wave of social change generated by World War II with the minimum objective of capturing half the world before the wave subsides and perhaps with the hope that they may be able to achieve sufficient gains to prepare the Free World for a final push without the latter having been able to attain post war stabilization. They have passed through the first phase of exploiting the World War II tidal wave which consisted of effecting revolutionary conquests under the cover of war-engendered good will, meanwhile rehabilitating Soviet heavy industry and their military machine and are now in the second phase, an openly revolutionary offensive in which, relying upon a wave of rebellion against 'imperialism' in dependent areas and a Western economic depression, they hope to encompass certain given areas before the free world can recover, perhaps by 1953. To accomplish these objectives Moscow is steering a course as close as possible to full scale war short of actually precipitating it. The danger that war may occur through Soviet miscalculation will, in the circumstances, doubtless grow considerably, but the probability that the Kremlin is still far from considering itself ready for global warfare is supported by most of the available evidence and, while incidents and limited hostilities may be expected, it seems probable that Moscow will try to avoid a showdown until it attains overwhelming superiority of force."

In reading and weighing the contents of this Report on "Soviet Intentions", it should be borne in mind that the resources of this Embassy are more restricted and the data available is less comprehensive than will be the case in the Department. It is felt, however, that the views expressed will have the merit of presenting the situation as seen by qualified observers on the spot. The scene shifts, and is shifting rapidly, so that we here in Moscow are perhaps more conscious of the alterations than those who are further removed. On the other hand, the Department with its specialists may enjoy a more favorable position in weighting trends and interpreting events because of the advantages due to perspective. In any case, it would be appreciated if comments and suggestions might be forwarded at an early date, especially in areas or on topics where the points of view may not coincide.

In forwarding this year's analysis, I desire to draw particular attention to the Section "Fundamental Considerations", which presents an especially penetrating exposition of what we consider to be basic motivations of the Politburo. Another important Section entitled "Military" should also be closely studied, and if the Department of Defense has better information on Soviet Military strength, its prompt transmission is requested.

[2] The telegram is not separately printed. The significant information is quoted immediately following.

In order to carry comment perhaps a step further than the limitations of each Section permit, there follow some general remarks representing my own views on certain broader topics. Some of these views were expressed at the Rome Conference of Western Ambassadors, 22–24 March 1950,[3] and may therefore already be available in other documents. However, there may be some advantage in adding them to these studies, as observations affecting actions and reactions in a somewhat larger sphere.

(*a*) It seems to me the Soviet Government is fully habituated to accepting a state of world affairs which has been succinctly expressed as "No War—No Peace". For the Politburo, the struggle for world supremacy clothes itself in all the paraphernalia of war, even to a little shooting now and then. Their language is that of the revolutionary, and their nerves are steeled to expressions which may cause the more civilized to shudder. Their objectives are usually defined in military terms, and they act often as if conducting great campaigns in vast theatres—which, in fact, is exactly what they are doing. Similarly, for the Politburo the word "Peace" simply means acquiescence in their concepts and on their terms. Until they rule the world there is no real peace possible for them, because as world revolutionaries they must succeed or perish—which has been the history of all revolutions, including our own. Either a revolution succeeds, or its instigators perish, and usually by the sword.

Conversely, it is difficult for the American people to realize that, in spite of the "cease fire" in 1945, there really is no peace. The effort needed to persuade our people that such is the sad truth, is prodigious, but none the less impelling in its necessity if we are to survive. The manner in which such an educational campaign should be conducted is for decision by our Government, and I am pleased indeed to see the progress already underway. But it is a hard task because it is one not easy to dramatise. Who does not want "peace"?

(*b*) That another facet of this same dilemma is the question of settling by negotiation the questions at issue between the Soviet Russia and the United States with her associated nations, it may be hard for the Western World to understand (and especially so in the United States), but it seems to me the Soviets are in a different frame of mind about negotiations than the Western World. Within the Communist Party here, there has developed a consciousness of strength which, coupled to an ingrained racial trait of self-sufficiency, makes the rulers of this Slavic Empire less receptive, less willing, less amenable to suggestion regarding any negotiation whatsoever, unless they clearly perceive definite advantages to be gained therefrom. Historically, this people has acquired in such matters an unenviable reputation for guile, deceit, procrastination and for very hard bargaining, and I see no reason to think its present ruling clique are less intractable than their predecessors. In fact, I suspect that in the present state of affairs, they have no real desire to compose differences by meeting together with their opponents; but rather would expect them to display some contempt for solutions by consultation, which involve what to them are representatives of minor interests.

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[3] For documentation on this meeting, see vol. III, pp. 795 ff.

If this delineation of the Soviet point of view be correct, or even partially so, how difficult will it be to explain to the American people? We as a nation prefer to adjust our public differences by consultations and conferences, more or less in the same way we settle our personal differences in business and private life, and we assume the other party likewise willing and ready to do the same. It is one of our traits to expect that with good will and good faith, we can iron out international difficulties in a good-humored way. We suppose the other party will understand that we approach all such matters with an open mind, prepared in all fairness to conclude an agreement, and then to shake hands and all be friends.

Unhappily, I do not conceive such to be possible at present with the Soviet Government, and I feel we need to disabuse our people of the idea that such kind of negotiation is currently possible. The Soviets will meet when we have something to give that they want, or when, as has already been explained publicly to the American people, we are so strong in our position as to make the Soviets understand that negotiation is the only way out. But to suppose the Politburo can be cajoled by soft words or lured by nebulous propositions, does not coincide with the hard-bodied realism of these supremely realistic personalities.

(*c*) As regards the intransigeance of the Politburo, an example has arisen since this whole Report was prepared, namely, the affair of the airplane loss on April 8, 1950. Since the issue remains unresolved as of the date of this despatch, it is not a proper subject for discussion in this paper. There is, however, one aspect of the situation which might be called to mind, namely that an "incident" of this sort may not be viewed as seriously by the Politburo as one might expect. The Kremlin is accustomed to clashes, or accidents, and has often elected to treat such affairs as incidental and not as monumental. There was a long series of such clashes with the Japanese military forces in 1936–39, along the Manchurian frontier. These skirmishes sometimes even evolved into small-scale engagements, but the Soviet Government did not go to war with Japan because of them. The Kremlin has a manner of relegating such matters to the background, when it suits their policy of the moment. There is a probability such is the present attitude, and if their propaganda can thus be well-served, such may continue to be their reaction. We should be aware of this ability to ignore larger implications, but not lulled into a false sense of security thereby, because any single case might become the crucial one if it suited the Kremlin to make an issue of it.

(*d*) I fully concur that the areas of imminent danger for us, as set forth in this report, are:

South East Asia
Germany
Persia

Of these, South East Asia is the most important because its loss would be disastrous to the economy of the Free World, although the more immediate threat may lie in Germany.

(*e*) Not to make some mention of the probable difficulties of the Politburo, would be to present an unbalanced picture. Even if we lack specific data or good evidence upon which to base an estimate of Soviet handicaps, nevertheless it is important that we remind ourselves the

Kremlin has troubles of its own. The Politburo may be composed of competent, workmanlike personalities, whose efforts are untiring and whose zeal is unflagging, whose idealism may match their zest for power, whose cunning and guile may seem boundless; but after all they are but men, human beings, with all the liability to error that mankind possesses, and they are not supermen. Just what their troubles may be, we may not know, since they keep their woes to themselves, but that troubles plague them, day and night, is, in all human probability, the fact.

(*f*) We, therefore, in order to defeat these enemies of our Free World, might well reflect upon how our affairs in the war were conducted, since we did indeed defeat our enemies of that period. In those days we created a unified organization which controlled all our energies and all our resources so that victory was gained. The need now for similar unity is daily being recognized, and its early realization is much to be hoped for. As emphasized in the report, the Kremlin is engaged in a total war against the Free World, in which "cold war" and "shooting war" are merely tactical phases of the same continuing struggle. Though the danger of an actual shooting war should not be neglected, it is important for the Free World not to lose sight of the equally important task of winning the cold war. To do so we must have unity of effort.

United States policy aimed at defeating the Soviet offensive and, ultimately, at winning the total war, should obviously be based on estimates not only of Soviet intentions but also of Soviet and Free World capabilities. The enclosed study of Soviet Intentions therefore yields only certain ingredients for consideration in basic decisions about United States policy. Subject to this qualification, the report mentions certain factors which appear of especial importance in this connection as will be evident from its study.

It is requested that copies of this report be transmitted to the Departments of Defense, the Army, Navy and Air Force, and to the Central Intelligence Agency.

Respectfully yours,

ALAN G. KIRK

[Enclosure]

Report on "Soviet Intentions" Prepared by the Joint Intelligence Committee, American Embassy, U.S.S.R., April 25, 1950

CONCLUSIONS, ANALYTICAL SUMMARY, IMPLICATIONS FOR U.S. POLICY

(A) CONCLUSIONS AS TO SOVIET INTENTIONS

A study of the information available leads the Embassy's Joint Intelligence Committee to the following conclusions about the intentions of the Soviet leaders:

1. These men are waging total war against the Free World, a ruthless and unrelenting struggle within which "cold war" and "shooting

war" are merely tactical phases. Under strict unity of command, using the USSR as base and world communism as fifth column, over decades they are marshalling every force to achieve their end.

2. Holding that the chief communist gains are obtainable during or in the aftermath of world wars, they are presently engaged in making the most of the tidal wave of social change generated by World War II, spurred by the minimum objective of capturing half the world before the wave subsides in order to be in position for World War III and perhaps stimulated by the hope that if their gains are sufficiently great this will set up a kind of chain reaction leading to new gains and so on until the Free World is ripe for a final push, without its having achieved real postwar stabilization at all.

3. The first phase of exploiting the World War II tidal wave consisted of relying primarily on guile to effect revolutionary conquests under cover of good-will acquired during the war, meanwhile rapidly rehabilitating the Soviet heavy industry and military machine, at least partially overcoming an important handicap in atomic technology, and, as the good-will abroad was exhausted, gradually preparing and organizing the masses for the second phase—an openly revolutionary offensive—by developing a mammoth "peace movement" against the "war mongers."

4. The second phase, already begun, is marked by transition of the peace movement from organization to "action," and by belief in the approximate coincidence of two major forms of crisis: a wave of rebellion against "imperialism" in dependent areas set in motion by the Chinese Revolution, and a Western economic depression said to be now in its second year. To take advantage of these real or fancied tides of change, the Kremlin has launched a revolutionary offensive with the probable objective of encompassing certain key areas before the Free World could otherwise begin to recover, perhaps by 1953. Those areas are probably Southeast Asia, the oil lands of the Near East, and Germany.

5. In order to accomplish these objectives in limited time and under conditions which require increasingly frank dependence on violence, the Kremlin is steering a course as close as possible to full-scale war short of actually precipitating it. During this period, therefore, the danger of war nevertheless occurring through Soviet miscalculation will doubtless grow considerably; yet the probability that the Kremlin is still far from considering itself ready for global warfare is supported by most of the available evidence. Incidents and limited hostilities are to be expected, but the Kremlin will probably try to avoid a show-down until it attains overwhelming superiority of force by other means. The probable minimum objective of the present offensive is to capture the basic natural, human and productive resources out of which such a superiority might be built in a decade or more.

6. The most likely possible cause of Soviet miscalculation is loss of touch with reality on the part of the Kremlin. The abnormal isolation of its rulers has long been a subject of comment. Some of their recent statements and actions suggest that they may be moonstruck by recent conquests. Also Stalin's possible impatience to see victory in his lifetime may conceivably get the better of his prudence, and megalomania fostered by his systematic deification may in the end corrupt the judgment of even this ruthless realist, as well as his associates. History offers interesting parallels for such a develop-

ment, but Stalin's reputation for shrewd common sense argues against it.

(B) ANALYTICAL SUMMARY

The factors which have led to these conclusions are analysed in separate sections below. They may be summarized:

Political

It seems clear that the Kremlin's world outlook is considerably more optimistic than a year ago. Flushed with the victory in China, which is probably regarded as the greatest for world communism since the 1917 Revolution, and evidently deluded by their Marxist analysis of the "western economic crisis", the Soviet planners apparently believe they are on the rising crest of another wave in the ebb and flow characterizing the final stages of world imperialism. Their "cold" war strategy is therefore likely, and in fact already shows every sign, of becoming considerably more active and aggressive, particularly if the economic crisis continues to develop in accordance with expectations. At the same time, unless their over-estimation of prospects should lead them to provoke a situation on which prestige or other considerations might prevent a tactical withdrawal by either side, it is not believed they will resort to an actual shooting war.

Despite the existence of certain factors which might work for the eventual emergence of Titoism in China, the Soviets evidently expect to consolidate their hold over this great area, at the same time using it as a strategic base and pattern for the spread of communism in other parts of Asia. Present prospects in the rich lands of southeast Asia are undoubtedly bright, and Moscow's recognition of Ho Chi-minh [4] is a sign of high hopes in this direction.

At the same time, there are many indications that the Kremlin also anticipates favorable opportunities in Europe, as the economic crisis deepens and Marshall aid draws to an end. Germany is still regarded as the key to Europe, and Soviet policy there has entered a new, dynamic phase, based on the promotion of a "national liberation movement," in the form of the National Front, directed against the western occupation powers. The German Democratic Republic constitutes the strategic base for the conquest of the rest of Germany, and the Soviets look forward hopefully to the liquidation of the West's remaining outpost behind the Iron Curtain—Berlin. France and Italy are secondary arenas, in which "revolutionary defeatism" and sabotage of the economy will be pushed through the media of the Peace Movement and strikes. Control of the satellite states is being steadily consolidated. Though it is still clear that Moscow is out to destroy Tito,[5] he

[4] Ho Chi Minh was the "President of the Provisional Government of the Vietnam Democratic Republic."

[5] Marshal Josip Broz Tito was President of the Council of Ministers and Minister of National Defense of the Federal People's Republic of Yugoslavia.

has been ideologically sealed off from the rest of eastern Europe, and revenge can probably wait.

The Near East and South Asia continues to warrant Soviet optimism, particularly in view of the deteriorating situation in Iran and continuing differences between Israel and the Arab world, India and Pakistan, and Pakistan and Afganistan, as well as the difficult basic economic and social problems facing both India and Pakistan. Though the promotion of national liberation movements in Africa and Latin America are still relatively long-range undertakings, and the Soviets presumably do not expect the current "economic crisis" will be decisive in the United States, the latter's present position as mainstay and leader of the world imperialist camp may be considerably shaken.

In the field of international organisations, the Kremlin has showed a completely cynical attitude towards the United Nations through its walk-out over China,[6] and at the same time has developed the peace movement into its broadest and biggest international "front" organisation to date. A new action phase has begun for the latter and it is now clear that the struggle for peace means the struggle for communism. Though it is believed the UN walk-out represented a tactical maneuver and the Soviets would still prefer to remain in the UN for reasons of prestige, propaganda and obstructionism, it is clear that the longer this situation continues, the greater the possibility it may result in a permanent break-up of the United Nations in its present form.

Thus, on balance, the political factors point toward a further intensification of the cold war, based on the Kremlin's somewhat "rosy" estimate of its global prospects during the next few years.

Military

Net relative military capabilities of the Soviet-satellite and free western worlds have changed but slightly during the last year. The Chinese communist victory and Soviet progress in atomic weapons have been counter-balanced by the ratification of the North Atlantic Pact and its preliminary implementation through the MDAP. Considering these and other factors, it is believed there has been a slight net gain for the West.

The Soviets are still believed capable of overrunning continental Europe and occupying strategic areas in the Near East, and operations in the Far East in case of hostilities could now include attacks on both the bridgehead of southern Korea and the rich lands of southeast Asia. However, the Soviet-satellite forces would everywhere have weak and overextended supply lines. Western defense pacts and military strength, despite their present imperfect stage of development, still

[6] For documentation on this topic, see vol. II, pp. 186 ff.

act as a major deterrent. Though a considerable advantage might accrue to the side which first launched all-out atomic bomb attacks, the long, drawn-out world conflict which would almost certainly ensue should give the West an opportunity to mobilize and bring to bear its tremendous and in the long run decisive industrial and scientific potential.

The Soviets are applying many of the combat principles of actual hostilities in their present "cold" war against the West, and still consider eventual hostilities inevitable unless they can win the former. However, they have been devoting much attention to improving their defensive capabilities, are perhaps now even more optimistic than before regarding their prospects of winning the cold war, and would not be expected, on the basis of military considerations, to deliberately resort to a shooting war until their offensive weapons have been further developed.

Thus, from a military point of view, the Soviets are not prepared to launch hostilities and carry on actual war against the West to a successful conclusion in the immediate future.

Economic

While the Soviet economy has evidently become stronger over the past year, and the present cold war can be supported at an increasing tempo, a large-scale shooting war could only be supported in the immediate future with great difficulty and for a limited period of time. Short-term economic considerations thus favor the avoidance of actual hostilities while the Soviets build up their economy and await the further development of the western economic crisis, at the same time doing everything they can to promote the latter. Unless their rosiest hopes are fulfilled along these lines, however, it seems unlikely that they expect to be economically prepared for a long drawn-out, global conflict before one or more decades.

Agriculture

Similarly, though current agricultural production could probably support a war economy for a short period of time, it is not believed that Soviet agriculture would support a protracted international conflict. Recent Soviet actions suggest a realization that the agricultural situation has not improved markedly over the past year and that further control over the peasantry is an immediate political necessity. Similarly, the drive for the establishment of the "kolkhoz" [7] system, both in the western areas added to the Soviet Union by World War II and the eastern European satellite states, suggests the acceptance of temporary weaknesses in anticipation of greater future strength,

[7] The system of collective farms, the prevalent agricultural organization in the Soviet Union.

thus reinforcing the probability that the Kremlin's agricultural policy is based on an expectation of no actual hostilities in the near future.

Morale and Propaganda

Despite some evidence of continuing dissatisfaction in certain outlying areas, the Kremlin probably considers its relative position in the field of morale and propaganda better than a year ago, and likely to improve. While it is doubtful that the status of morale and the efficacy of propaganda at a given moment would decide the question of war or peace for the Soviet Union, consideration of this problem again leads to the conclusion, as it did a year ago, that actual war for the Soviet planners would be preferable some years hence rather than now.

(C) IMPLICATIONS FOR UNITED STATES POLICY

United States policy aimed at defeating the Soviet offensive and, ultimately, at winning the "total war", should obviously be based on estimates not only of Soviet intentions but also of Soviet and Free World capabilities. The present study of Soviet intentions therefore yields only certain ingredients for consideration in basic decisions about policy. Special attention is invited to the following:

1. The character and sweep of Soviet intentions, given the magnitude of Soviet and communist resources, constitute an enduring state of emergency comparable to that of wartime. This calls for firm coordination of effort, delegation of power, and unity of command, on both a national and a Free World scale, embracing not merely military but political, informational, economic and other fields of action. Within this framework, an integrated western Europe, including both Britain and Germany, is of particular importance.

2. The free peoples will rise to the occasion only if they realize its vivid and lasting urgency, yet believe they have a fighting chance to win. Against the dangers of complacency and despair, the total war must be made as dramatically intelligible to them as were World Wars I and II.

3. This can be done if the war is both fought and publicly presented as an enterprise of grandiose scope and strategic and tactical action. "Containment" is too defensive and static a concept for winning either the public or the war itself. Repeated demands for sacrifice produce diminishing returns in the long run if merely made seriatim; they can rouse cumulative effort of each new demand is a logical part of the total enterprise. Only the prospect of real victory creates the mood in which sacrifices are welcomed and losses call forth new determination.

4. The emotional tone and imaginative range of the wartime spirit give the best hope of achieving the economic integration of not only key areas, such as Western Europe, but of the Free World as a whole. and the patterns of world trade should be re-studied and re-directed to this end. As the Kremlin's position, in practice as well as in theory, ultimately depends on its claim to out-produce the Free World, the central long-range clue to victory is to demonstrate the opposite, both stabilizing the Free World economy adequately and developing it

500-421—80——75

dynamically in a way which leaves the lumbering, self-benighted Soviet economy further and further behind. This process should be accelerated by systematically perfecting the restrictions which prevent Soviet access to advanced products and data of Western technology.

5. To the extent that sound economic progress is made in the short run, upsetting Soviet calculations based on belief in a deepening depression, a major blow will have been struck against the present revolutionary offensive. A primary target must clearly be present unemployment in such critical areas as Germany and Italy, to say nothing of the United States. And as far as the promotion of a healthy, prosperous American economy is concerned, a balance must be struck between the demands of the internal economy, economic assistance abroad and the requirements of unified defense. However, recent indications that the western world's previous condition of serious underproduction is gradually giving way to one of perhaps even excess capacity and production in certain fields suggests that this problem should be capable of solution.

6. The strategic problem, though centrally economic, is by no means exclusively so. By economic health and growth all the sinews of war will be nourished—political, psychological, military, subversive—and all should be put to work in accordance with plans devised to seek out and destroy the foe at his weakest points. For example, Titoism or other splits in the enemy's ranks should be aided, and ample means devised for penetrating the Iron Curtain with the truth and other means of subversion.

7. If the analysis of Soviet intentions is correct in arguing that the Kremlin wishes to avoid war for some time, then a judicious use of military power can have a salutary effect in stopping certain forms of Soviet aggression in the near future, as it has in the past, with the effect of diminishing rather than increasing the danger of global war. Such action should be taken without hesitation or apology, being justified by the fact that in a deeper sense a state of war has already been in existence for years. This is clearly recommended where areas are threatened by Soviet capture before longer-range forces, such as economic improvement, can take effect—today in Southeast Asia, tomorrow perhaps in Persia. There is also much to be said for a far more extensive deployment of American forces in Europe, to counterbalance the increasingly prominent influence of Soviet or puppet armed forces in fostering revolution, especially until Germany can be permitted to play a full role in European defense. Otherwise the peoples of Western Europe will continue to be a prey to moods of despair at the thought of being overrun in case of war.

8. The noise of the "peace front," reflecting a probably vastly exaggerated belief of the Kremlin in the power of its propaganda, should not embarass us in making vigorous use of our military power—probably one of the chief purposes of the "peace" campaign—nor tempt us to resort to spurious imitations. The craving of the world for peace is genuine, and if ways to enlist it sincerely on the side of the Free World can be found, that would be excellent strategy. But it will be unlikely to succeed if not sincere, and it cannot be sincere if it utters mealy platitudes or veils the realities of the total war which is actually going on. The one real road to peace is to win the war.

9. Every occasion should be sought not only for checking Soviet aggression but for forcing a retreat—for instance in the coming battle

for Berlin. If the whole Soviet revolutionary offensive is frustrated over the next two or three years, the communists may well have expended so many assets, especially human and spiritual ones, that they would be in a peculiarly weakened condition. A properly designed counteroffensive launched at that point would therefore have some chances of rolling them back as the Russians rolled the Germans after Stalingrad. If, for example, the Kremlin has already seriously overextended itself in China and will try to go much further, the opportunity may arise for inflicting dramatic reverses there.

10. Peace is unlikely to be won, however, as long as the present Soviet regime survives, since its very existence is interwoven with and depends upon waging the total war.

Fundamental Considerations

The actions of the Soviet Government and of the Moscow-directed communist parties since the war have corresponded to the views expressed in Stalin's basic writings to such an extent that these and similar Politburo pronouncements may be taken to give a general outline of Soviet intentions which is substantially true, if shrewdly interpreted. The picture which results is one of extraordinary focus and tenacity of will, operating within a framework of belief about the operation of long-range forces in history which encourages persistence of effort in the same direction for decades, despite odds which would probably long since have moderated or defeated a gang of merely opportunist power-seekers. The aim of that will is to drive from the face of the earth a social system which it conceives to be moribund but unwilling to depart of its own accord, and to establish instead an all-embracing social order of which the USSR is the expanding embryo. Thus its goal is equally world revolution and world empire. Bolshevization of humanity is the form of Stalin's will to power.

The road by which this goal is sought is total war, a war which has never ceased since it was declared by the young Lenin. It transcends the legal distinction between war and peace, but is properly called war because it tries to destroy its opponent without any scruple whatever as to means. It is total because it seeks to mobilize every physical and spiritual energy in its service.

The grand strategy which Stalin has described and evidently practiced follows the strict logic of war. The Soviet Union is the main base which, once won, is to be defended at all costs and expanded whenever the general course of battle makes it appropriate. Communist and other movements elsewhere are exploited for what they are thought to be worth under given world conditions, but always in subordination to the requirements of the base and under the strict discipline necessary for maintaining unity of command. No challenge to that unity is tolerated. Insubordination is dealt with by the

most severe methods available, even if this entails temporary losses of men or territory.

To ask in greater detail for an appraisal of Soviet intentions at any given time is accordingly to inquire about current plans of campaign. Since the Kremlin gives every sign of operating seriously within the framework of a Leninist-Stalinist philosophy of history, it may be inferred that current plans are shaped to some extent by that philosophy, all the more because it emphasizes factors which would in any case recommend themselves as useful in the struggle for power: the theory was developed by professional revolutionaries; hence it is not surprising if revolutionary thought matches revolutionary will. The features of this conception of history most relevant to the present discussion are:

1. The period which began during World War I is the General Crisis of Capitalism. It is an age of wars and revolutions, beginning with the first breach in the old social system and the initiation of the one destined to replace it, marked by a tragic struggle between the two as country after country falls away from the old camp and joins the new until victory is complete. This implies that a principal aim of strategy will be to facilitate this process, picking off one or more countries at a time, whenever conditions are ripe.

2. The underlying forces at work during this period are: (*a*) the basic conflicts within the old system which grow worse as it becomes more and more inadequate to the demands of this stage of history, and (*b*) the increasing strength—moral, economic and military—of the new system as it demonstrates its fitness to solve the problems of the age, notably those of production and employment. This suggests a strategy geared to the rhythm of the underlying forces, designed to magnify their effect and capitalize on it at favorable times.

3. The tensions generated by the underlying forces alternately mount and subside, and strategy is intended to develop aggressively as the tide rises, aiming at maximum gains when a crisis is at its crest; when the tide ebbs, the recommended strategy consists in minimizing losses, avoiding decisive encounters, and re-grouping and re-training forces in preparation for the next rise. There are several different, though somewhat inter-dependent, forms of crisis which mark the General Crisis of Capitalism. Economic crises of industrial and agricultural overproduction occur periodically and tend to issue in fascism, war and revolution. The conflicts between imperialist countries and the areas which they exploit come to a head in colonial wars and rebellions. The rivalries between leading imperialist powers lead to world wars, as does the bitter antagonism between the old social system which (according to Kremlin thinking) is on the way down and the new one which is determined to hasten its demise. Of these forms of crisis, world wars are those which generate by far the biggest tides of change, aggravating and bringing to a focus all the destructive conflicts inherent in the old system. Accordingly it has long been not only a clear implication of Stalin's theory but his explicit prediction that the next additions to the "socialist camp" would be made during or in the aftermath of World War II, and the prediction has been fulfilled so

successfully that Politburo spokesmen are beginning to boast that World War III would bring them world victory.

Thus the context within which the Kremlin's present plans of campaign have presumably been thought out is that of making the most of the World War II tidal wave. This has been complicated by the long period of pseudo-friendship with the democracies which was dictated by the threat emanating from Germany and Japan and began coming to an end, quite logically, when the threat did. At the present time Soviet policy seems to have completed the 90-degree turn of direction which this tactic involved; the former Ally Number One is now Enemy Number One, and the world is frankly polarized between "socialist" and "capitalist" camps. Henceforth the Kremlin is free to drive as directly at its basic goal as it thinks the balance of forces will allow. Thus the crucial problem in estimating Soviet intentions at the present time is to gauge its estimate of those forces. That is the central theme of later sections of this report. The present section will develop only certain broad lines of approach.

Stalin in analyzing the factors which made possible the success of the October Revolution has attributed considerable efficacy to the craving of the masses for peace after several years of World War I. The Soviet "peace" campaign after World War II, which began early in 1946 if not before, looks like an effort to play on similar popular moods today, creating and prolonging semi-artificially what occurred spontaneously in Russia in 1917. Since the "shooting" war is over, the threat of a new one has to be conjured up instead. After a lengthy propaganda preparation, the campaign has passed through its overt organizational phase and now claims to be entering the phase of "action," using language which clearly implies revolutionary intent. The length of the preceding phases suggests that the action phase in turn may be expected to run through several years. The point at which it is brought to its climax need not be the same for all countries; in each case it will presumably be synchronized with other moves in the light of the Kremlin's estimate of the total situation. The implication of revolutionary intent does not necessarily mean direct revolutionary action by the "Peace Front"; in many or possibly even in all cases the role assigned to it may be one of blocking or delaying aid to a revolutionary area from the "capitalist" camp. For example: if, as will be argued below, Stalin wishes to avoid global hostilities for some time, a real show of adequate force in the West would bring him to a halt or even cause him to retreat temporarily. In this respect the "peace movement" may be intended to prevent just such measures on our part.

In addition to the fund of war-weariness which the peace front tries to exploit, two other factors stand out as of probably much greater importance in the Kremlin's charting of the World War II tidal wave:

wars of "liberation" in dependent areas, and economic crisis in leading industrial countries. For present purposes it is unnecessary to discuss the extent to which, in Soviet theory, such events are direct consequences of World War II or represent independent chains of causation. It is evident in any case that amid the general dislocation and unrest of the war's aftermath they have occupied a central place in the Kremlin's calculations. At the present time the outstanding fact is that just as a major victory was being consummated in China and public attention was being directed toward further fields for "liberation," notably Southeast Asia, word went out from the Kremlin that the long-hoped-for economic crisis had already begun in the West late in 1948. Though the public statements about the "crisis" may be assumed to exaggerate for propaganda effect, both the nature and source of the statements and the tempo of accompanying Soviet actions make it probable that the development of a depression in the West, considered already fairly serious and expected to reach drastic proportions perhaps two or three years hence, has become a sober Kremlin belief which plays a prominent role in shaping Soviet intentions. Thus in the Kremlin's view the position of the "capitalist camp" is impaired by the approximate coincidence of two major forms of crisis: wars of "liberation" in the East and depression in the West. This means that the Kremlin probably plans to accelerate its efforts to exploit the World War II tidal wave between now and about 1953. It is evidently no accident that the "action phase" of the "peace campaign" has been initiated at the same time, and it is also relevant to note that Soviet internal postwar rehabilitation is now claimed to be completed.

"Accelerated effort" does not mean that caution will be thrown to the winds, but it does mean rapid expenditure of accumulated assets, throwing into action forces which have been recruited and trained for the purpose, cashing in on alliances, taking greater than ordinary risks for the sake of anticipated gains. Following the analogy of a military campaign, which seems peculiarly appropriate for Soviet activities, the big offensive should not be thought of as an indiscriminate splurge of energy in all directions, but as conducted under carefully thought-out operational plans which are flexibly applied in day-to-day tactics and revised as the campaign develops and unexpected successes or reverses are encountered or new opportunities perceived. Such plans can be expected to make use of the standard rules of the art of warfare—mass, surprise, maneuver, etc.—and an understanding of these rules should prove useful in anticipating Soviet moves.

In trying to estimate the main outlines of the present Soviet plan of campaign, the decisive questions are: How far does the Kremlin intend to go, in various directions? How fast? At what risks? And underlying these questions lies the perennial problem for all estimates

of Soviet intentions: How far does the Kremlin's view of facts and trends, of its capabilities and of ours, differ from our own?

In view of the Kremlin's ultimate objective, it might seem that in general it intends to go just as far as it can, in every direction, during the present offensive, while Stalin is still alive. However, overextension is a serious danger which prudent commanders seek to avoid. Eighteen months ago it was still the prevailing opinion, according to an estimate received from the State Department, that the Communists would stop half-way in China and not press on to win the whole country. Mr. Kennan's article in the *Reader's Digest* for March, 1950,[8] remarks that Soviet imperialism "bit off more than it could comfortably chew" in Eastern Europe. Other eminent students of Soviet affairs have suggested that analogous considerations probably lead the Kremlin to prefer winning a nationalist Germany as a dependent ally to a fully communized Germany, which might threaten Moscow's monopoly of power. Nevertheless there are considerations which point to a more expansive estimate of the Kremlin's belief in its own digestive powers: the daemonic drive which has characterized the Bolshevik movement from its beginnings; the fact that they did take all of China and evidently have no intention of stopping there; the enormous self-confidence of an organization which won power against great odds, held and developed it for decades, came victorious out of World War II, and since then has added half a billion population to its empire.

Indeed, given the Kremlin's basic aims and philosophy, there are reasons which would seem to make it imperative for it to make further major additions to its empire during the present offensive. Holding that violence is required to achieve the new social order, and that this inevitably leads to destructive clashes between the old order and the new, it cannot bide its time and trust that the old will disintegrate merely by reason of its own inner conflicts. Until the old is finally destroyed, there is always a danger that it will crush the budding new order, and the whole painful process of revolution have to begin over again. Hence the problem is to avoid a head-on conflict but continue gaining at the expense of the foe until decisive superiority of force is attained. During the inter-war period, the Kremlin could bank on division between the other great powers to make this possible. Since World War II there remains only one other comparable power, and Politburo statements described the world as evolving into precisely that polarization around two centers which Stalin long ago predicted as the stage which would lead to a final struggle for the world. Thus the prewar strategy is no longer possible. It is true that much is still made of "Anglo-American contradictions," but the Kremlin, however badly it misunderstands US–UK relations

[8] See the editorial note, p. 1107.

can hardly count on Britain becoming strong enough to disrupt the basic polarity of the two super-powers. The belief that major communist gains are won chiefly in connection with world wars implies that the tidal wave of World War II may offer the last chance of really substantial additions to the Orbit before World War III. Hence in order eventually not to meet World War III under a disadvantage that might prove fatal, the Kremlin very likely feels that it must make drastic efforts to gain something close to half of the world's basic resources—natural, human and productive—during the present offensive. If it won most of the vital parts of Southeast Asia, a good share of Near-Eastern oil, plus all of Germany, this goal would be substantially attained. These are in fact the areas which recent Politburo statements imply greatest interest in. Despite the danger of over-extension, it seems on balance that they probably are the objectives of the Kremlin's new offensive.

How fast the Kremlin actually moves toward these objectives will of course depend on developments during the campaign. As far as present intentions are concerned, the fact that the crisis in the East has already reached a high point with the revolution in China, whereas the alleged economic crisis in the West is described in terms which suggest that it is only gradually getting under way, points to the probability that the Kremlin expects to move most rapidly in Southeast Asia during the coming year, saving its main thrusts in Europe and the Near East for later—though of course engaging in preparatory, supporting or diversionary actions there. However, the Kremlin undoubtedly believes that its recent gains in the East have weakened Western countries themselves as well as their "colonial" positions, thereby making immediately possible more extensive gains in the West than the economic "crisis," if acting alone, would indicate. Hence it is conceivable that it has advanced its timetable somewhat in the West, and may be planning quite dramatic moves there too during 1950. The desire to press forward before MDAP has significantly enlarged West European military stamina would also favor acceleration in that area.

The most decisive question concerns the risks which the Kremlin intends to take, and these in turn depend in large measure on how it estimates the capabilities of each side and the elasticity of our intentions. Considerations advanced in the preceding pages support the view that the Kremlin, because of the urgency of its objectives and the expected limitations on time at its disposal, is prepared to take very serious risks, but not to the extent of starting a war to the finish. The latter point is also reinforced by the apparently controlling objective of Soviet domestic policy, which is projecting long-range industrial and agricultural programs in order to achieve full "communism" in one or more decades. The defensive character of Soviet military installations recently observed in Central and Eastern Europe further

suggests a desire to avoid war at present, and may correspond to a Soviet belief that the only way in which the West could really stop Soviet cold war aggressive efforts would be by a shooting war. Indeed it is self-evident that only reckless romanticists, which the Bolsheviks are not, deliberately start wars unless victory seems assured at moderate cost. Assuming, as seems most probable, that the Kremlin does not expect to obtain such a favorable superiority of forces in the next few years, the question narrows to one of estimating how close to war the Kremlin will dare to go, while yet intending to avoid it? It is at this point that the most serious danger of war appears to lie during the next few years. It is entirely possible that the USSR, exalted by its present mood of confidence and impelled by the fancied necessity of grabbing while it thinks it can, may underestimate our capabilities and consequently our intentions, hence precipitate a situation in which we feel compelled to fight. The "peace campaign" in one of its aspects looks very like an effort to insure against the chances of our going to war over the losses which the Kremlin intends to inflict on us during the present revolutionary offensive.

This does not at all mean that the Kremlin will seek to avoid "incidents". It is already producing these at a very serious rate which is likely to intensify. It might conceivably engage, directly or through satellites, even in rather protracted hostilities as it did with Japan in 1938, provided it calculates that they can be localized. Of course it realizes that our position today is not analogous to Japan's in that we face no second threat which would compel us to keep such hostilities local. Nevertheless we have amply advertized our unwillingness to begin a war; the "peace campaign" is intended to brand us in advance as aggressors if we should; and it is even plausible to suggest that one purpose of the current propaganda against using atomic bombs is to make public opinion deter us from using the one weapon which would almost automatically turn limited hostilities into global war.

Even if the Kremlin thoroughly intends, however, to keep the situation under control, it does not follow that it will succeed. In addition to the risk, above mentioned, of underestimating us, there is also a risk of overestimation: in daring to steer very close to war, the Kremlin is creating a state of tension in which a false belief that we were about to attack might actually prompt it to attack first. This is a subtler and probably a remoter risk than the other, but it should not be discounted altogether. The desirability of securing initial advantage in atomic war, the relatively favorable position of the Soviet Army for overrunning Europe and the Near East, and the neurotic hypersensitivity of Soviet suspicions, fostered by isolation from normal contacts and by corresponding dependence on the apparently sometimes fantastic mental world of the MGB, all lend some

substance to this possibility. Nor is it wise to consider Stalinist dogma a likely preventive. Though the Bolsheviks have in general developed their strategy and tactics under the pretext of righteous reaction against "capitalist" oppression and aggression, there is nothing in Stalin's teachings which excludes initiating a war as a matter of principle. On the contrary, the basic doctrine is the aggressive use of violence to destroy our social order. The Bolsheviks have never shown any reluctance to resort to violence except where their position was too weak to make it prudent. Stalin's writings make it very obvious that his strategy of avoiding war and letting the "capitalists" attack first—preferably each other—was adapted to the phase of relative weakness, and that as the Soviet base of world revolution grew in power it would rely on its own force to attain its ends with increasing frankness. The repeated failure of the Comintern [9] to achieve much in promoting revolution abroad must have encouraged this trend.

So far the discussion has been based on what seems the most probable Soviet outlook. Since, however, what is probable can always turn out to be false, it may be worth while to indicate some alternative possibilities in order to set perspectives in better balance. It is possible, though it seems distinctly less probable, that the evidence from which the Kremlin's beliefs and intentions have been inferred is consistently over-theorized and over-colored, that the Politburo are really much more sensible than their propaganda line seems to indicate. In that case, their actions will prove in the end to be less risky and less aggressive than above predicted, and the whole structure of evidence as it appears today will then seem to have been partly bluff, designed to protect a position which was in fact believed to be somewhat weaker and to secure goals which were in fact more modest than those above described. On the other hand it is also possible that the above reading of the evidence lags behind reality, that the more extreme among recent Soviet statements approximate literal sincerity, and that the Kremlin's head has been so turned by its recent successes, and so cut off from reality by its own paranoid security measures and propaganda, that it really does expect to be in position to give the Free World the *coup de grâce* within the next few years. Though, as argued above, this still seems improbable, it is a possibility which, considering the tone of current Soviet speech and action, definitely should not be excluded. It would of course become more serious if, despite our efforts, the Kremlin moved conspicuously closer to a position which might seem to put it within striking distance of world victory—for example by winning control of Persia and the Ruhr, though the more probable course of action would still seem to be avoiding global hostilities until Soviet power were overwhelmingly

[9] The Third (Communist) International was founded by the Bolsheviks at Moscow in March 1919.

predominant: the Kremlin might well consider that really big gains, if made during the next few years, would so weaken and disorganize the remainder of the "capitalist" camp as to delay its postwar stabilization and thus prolong the World War II tidal wave indefinitely, thereby making possible continued acquisition of country after country until an easy final shove would suffice to do the rest, perhaps 5 or 10 years hence. A third alternative possibility might be that the rulers of the USSR are in a sense dual personalities, embodying to a considerable degree the trait, often noted among Russians, of maintaining quite contradictory beliefs and attitudes at the same time, and of shifting from one to another without serious difficulty in a way which baffles prediction. If so, this merely adds one more dimension of uncertainty to the picture.

To resume the main thread of the discussion, however, it should be re-stated that the balance of probability still seems to support the view that the Kremlin does not intend full scale war in the next few years. In this connection, it is relevant to recall one of Stalin's remarks during the early years of World War II: he said that victory must go in the end to the side which produced the greater number of motors (for tanks, trucks and planes), and stated that Allied motor production was three times that of the Axis. This is in keeping with the tone of sober calculation which has characterized much of Stalin's public discussion of the world situation throughout the years, and also fits the accounts of acquaintances who recall the realist's scorn with which he often rejected the proposals of more impractical colleagues.

If what seems probable is really true, then the danger of war, though definitely present because of possible miscalculation, is not the main threat which confronts the Free World during the current Soviet offensive. For this reason it seems important that neither governments nor public opinion should become so overly obsessed with the dramatic but secondary danger of "shooting" war, that they neglect to form that unity of command and scale of effort required to meet the primary danger, which arises from the never-ending "total" war against our social order. The present discussion of Soviet intentions is only one of several necessary approaches to a comprehensive understanding of the danger that confronts us in this total war. As far as this study goes, the tentative conclusion is: so much of Eurasia may be lost by means short of full-scale war, that the existence of freedom in the world will be jeopardized some 20 years hence.

[Here follow the remaining 43 pages of the report. The fundamental considerations are treated in separate sections under these main headings: Political (Far East, Europe, Near East and South Asia, Western Hemisphere, UN and Other International Organizations); Military; Economic; Agriculture; and Morale and Propaganda.]

700.00 (S)/4-2650: Circular telegram

The Secretary of State to Certain Diplomatic Offices [1]

TOP SECRET WASHINGTON, April 26, 1950—5 a. m.

In discussions preparatory to forthcoming FonMins meetings [2] Jessup [3] has expressed our view that military preparedness of USSR for defense of all or most of areas under its control is becoming such that Kremlin will probably feel safe in pursuing more provocative foreign policy in near and perhaps immediate future; that development of west's relations with USSR in next two or three years will probably hold more risks of war than previously; that while Kremlin now dominates many more people and much larger area than it did at end of war, development of Titoism and its ramifications probably largely offset for present Communist victory in China in Kremlin's evaluation of its power position; that main arena in European phase of struggle with USSR is Germany and that western Germany's orientation is of absolutely critical importance, although there are vulnerabilities in Asia and Near East which are greater than Germany's; and that USSR has vulnerabilities which include relationship between Kremlin and peoples of USSR based on suspicion, fear and coercion, relations between USSR and its satellites, problem of accession to Stalin, and possibility that frustration of Kremlin's dynamism might well lead to recession of its power. UK officials stated that Brit were broadly in agreement with these views but stated: 1) that Sovs appear to have made a slight gain in past year and Brit consider Communist successes in China more than offset Tito disaffection; 2) that although Sovs will undoubtedly be more provocative in next several years Brit do not feel that they will risk action which might result in hostilities and in view of Brit military critical period will be in 1955 or 1956; and 3) that Brit feel Southeast Asia is weakest of all our weak spots which must be remedied as matter of "first necessity". Brit officials stated that US, UK, Commonwealth and western Europe were nucleus around which western world should form and that no partial agglomeration was adequate to stand alone. In discussing US–UK relations Brit official observed that joint action can only be achieved if UK is and is to remain world power, urging that we should help to make sterling area strong and should not force Brit to give independence to peoples who are not yet ready for it.

ACHESON

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[1] The code room was instructed to repeat this telegram to Frankfort and Moscow.

[2] The British, French, and United States Foreign Ministers met in London on May 11–13, 1950. Their final communiqué was released to the press on May 18; for text, see Department of *State Bulletin*, May 29, 1950, p. 827, or vol. III, p. 1106.

[3] Philip C. Jessup was Ambassador at Large.

611.61/4-2750 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State[1]

SECRET Moscow, April 27, 1950—6 p. m.

1239. Based on such sources as are available here, Embassy estimates Secretary's enunciation of policy of "total diplomacy" has apparently made important impression Kremlin.[2] Aside from vehement published Soviet reactions to phrase and prospects its energetic implementation, a number of qualified foreign observers feel they can detect signs more apprehension among authorities over probable effect total free world diplomacy on Soviet objectives than in case of any other recent pronouncement.

Interpretation reasons Soviet reaction vary. However, one source with which Embassy inclined agree, attributes it to Soviet conclusion that in "total diplomacy" and other recent companion speeches, Secretary has laid down set of principles to guide US and free world toward attainment objectives, a departure from previous US statements which tended obscure practicalities under sweeping generalities. Establishment of specific outline for free world policy and action, a procedure which Communists themselves have long followed, threatens them materially.

KIRK

[1] This telegram was relayed on April 27 to London at 3:15 p. m. and to Paris at 4:00 p. m.

[2] Secretary of State Acheson spoke on "'Total Diplomacy' to Strengthen United States Leadership for Human Freedom" at a meeting of the Advertising Council at the White House on February 16, 1950. A summary of his remarks was released to the press on March 9 and is printed in the Department of State *Bulletin*, March 20, 1950, pp. 427–430.

661.00/4-2850 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State[1]

TOP SECRET Moscow, April 28, 1950—6 p. m.

1250. Embassy grateful Department infotel April 26, 5 a. m. summarizing views expressed by Jessup in discussions preparatory to forthcoming foreign ministers' meeting and British comments thereon. Embassy's thinking in this regard was set forth in substance in Embtel 1214, April 25 and in detail in despatch number 514, April 25 referred to therein.[2]

[1] This telegram was relayed to London and Paris at 9:00 p. m. on April 28.

[2] For despatch 514, in which most of telegram 1214 was repeated, see p. 1164.

Essentially Embassy concurs with Jessup and British but believes minor modifications, principally as to degree of emphasis justified. As to Soviet estimate developments past year we strongly inclined agree with British that Communist successes China more than offset Tito disaffection. On other hand we prefer Jessup's view that development of West relations with USSR in next two or three years will probably hold more risks of war than previously as contrasted with more complacent British idea that Soviets will not risk action which might result hostilities until '55 or '56. As to USSR vulnerabilities, we would caution against placing undue reliance on potential Kremlin difficulties with peoples of USSR on basis suspicion, fear, coercion, etc. Also believe "frustration of Kremlin dynamism" too defensive an approach to winning global struggle for which issues now decisively drawn.

KIRK

511.6121/5-150 : Telegram

The Secretary of State to the Embassy in the Soviet Union

SECRET WASHINGTON, May 1, 1950—4 p. m.

424. Embtel 1219, Apr 25. After full consideration Emb position re distribution *Amerika* Dept still convinced action shld be designed continue magazine as long as possible rather than precipitate its demise. Since magagine and VOA are sole remaining means presenting US viewpoint to Sov people Dept feels all possible steps shld be taken preserve these channels communication. Emb reminded *Amerika* considered eminently valuable medium early years when circulation limited 10,000 or less.

As to specific points raised:

1. Dept questions relevancy past Sov censorship magazine to possible later public protest its elimination. *Amerika* widely known and regarded by many as major evidence US continuing effort achieve peaceable understanding with Sov people. Abandonment of this effort, on US initiative might be interpreted as surrender in our efforts for peace. Although Dept well aware graver developments now in forefront of news it is believed Emb underestimates importance attached to media of info exchange like *Amerika* by those in US and other countries whose most profound yearning is for peaceful resolution world's difficulties.

2. Dept does not feel adequate record has been made to date in *Amerika* situation. As record now stands Sovs have simply indicated magazine not selling as well as in past. Emb suggestion US cease publication therefore suggests defeatist attitude which cld not in any way enhance US stature in eyes of world.

3. Emb has not at any point made clear advantage to be gained by precipitating demise project. All experience in dealing with Sovs indicates necessity for patience and persistence. Strong possibility exists Sovs are hoping US will become discouraged and cease pub-

lication. To do this without clearly being forced out wld, in Dept view, play into Sov hands.

Dept currently considering change in *Amerika* format designed strengthen our propaganda position in event final close-out of operation which will be presented for Emb consideration and comment in subsequent message. These proposals will affect price reduction suggested Deptel 345, Apr 21. Emb shld inform Soyuzpechat new price five rubles, Soyuzpechat to retain two and one half as before. Price stickers suggested by Emb will be provided earliest.

Dept feels record will be improved by effort to cooperate in distributing existing surpluses through price reductions and Sovs shld be forced into discussion of matter. Therefore no return copies or payments shld be accepted until this aspect matter gone through thoroughly. In event it is then determined by Emb that Emb refusal accept returns and payments will result in Soyuzpechat refusal accept full fifty thousand next issue Emb authorized acquiesce.

Emb requested proceed along lines indicated Deptel 345 as modified by this tel.

Dept now drafting reply to FonOff in order keep discussion of matter active on FonOff level.

Foregoing position Dept feels is consistent with agreed policy of augmenting rather than abandoning effort reach Sov people via radio despite Sov jamming. This policy has full support Congress and Amer people. Dept wld anticipate unfavorable reaction to defeatist attitude concerning *Amerika* view impressive existing evidence, much of it supplied by Emb, of magazine's effectiveness.

ACHESON

601.6111/4–1850

The Secretary of State to the Treasury Department [1]

RESTRICTED WASHINGTON, May 2, 1950.

The Secretary of State acknowledges the receipt of two letters from the Treasury Department dated April 17, 1950 and April 18, 1950 on the subject of customs clearance of Soviet diplomatic couriers.[2] In the letter of April 17, 1950 it was suggested that if the Department of State wished to have the inspection of personal baggage of diplomatic couriers waived, a formal recommendation should be made to that effect to the Treasury Department. It was also suggested that the Department of State notify the Treasury Department of the expected arrivals of Soviet couriers. In the letter of April 18, 1950 it was stated

[1] An annotation at the end of this letter reads: "Urgent—by messenger."
[2] Neither printed.

that two Soviet couriers arrived in New York on April 17, 1950 and, although inspection of their personal baggage was waived, they were told to inform their Embassy that in the future the personal baggage of all Soviet couriers would be inspected.[3]

On April 21, 1950 a representative of the Soviet Embassy was informed by an officer of the Department of State that the matter of customs clearance of Soviet diplomatic couriers is still under consideration. In accordance with the Treasury Department's suggestion the Soviet representative was advised that, in the meantime, the possibility of delay to Soviet couriers upon arrival in the United States, could be minimized if the Soviet Embassy would give prior notification to the Department of State of each anticipated courier arrival. This information will be transmitted to the Treasury Department, upon receipt, in order that it may be sent to the Customs officials at the appropriate port of entry.

The Department of State, however, suggests that difficulty may be encountered in the application of this system of notification. It is quite likely that in certain instances the Soviet Embassy would not receive information regarding the arrival of couriers early enough for notification to be transmitted to the port of entry prior to the arrival there of the couriers in question. Since the end of the war it has become the Soviet custom for Soviet couriers to travel almost invariably by airplane. The Department of State appreciates the difficulties involved for Customs authorities in assessing the relative importance of incoming official travelers in the absence of specific advance notification of their arrival. In view of the possibility that the desired advance notification may not be received at the port of entry in due time in connection with the travel of Soviet diplomatic couriers, the Department will be grateful if Customs officials at the port of entry will continue to employ whatever information is available including advance telegraphic airplane passenger lists in order to assure that Soviet diplomatic couriers are not delayed in completing customs formalities.

As was pointed out in the Department of State's letter of March 10 [*16*], 1950 (File No. S/S–PR 411.61231/2–2850), a representative of the Soviet Embassy had intimated that the Soviet Government would take retaliatory measures if the inspection of the personal baggage of Soviet couriers should continue. The American Legation at Helsinki has now reported that on April 27, 1950 Soviet Customs officials subjected the personal baggage of American diplomatic couriers to a

[3] A quotation in this letter from the report of April 17 from the Collector of Customs of the Port of New York explained that "Russian couriers arrive on an average of every two weeks and in the absence of further and contrary instructions we propose to examine the personal baggage of the next Russian couriers to arrive, because I fear that a second waiver would, regardless of any verbal statement, be considered as establishing a precedent." (601.6111/4–1850).

thorough inspection.[4] The Legation notes that this constitutes a sharp change in the Soviet Customs treatment of American diplomatic couriers which, heretofore, had been most expeditious. The Soviet tactics of delay and interference are well known and will, if employed in relation to our diplomatic couriers servicing our Embassy at Moscow, constitute a serious detriment to the communications between this important diplomatic mission and the Department of State. The possibility also exists that if such a precedent for courier treatment should be established in the USSR, the practice would be extended to the satellite countries. The Department of State is desirous of assuring that its lines of secure communication through courier mail shall not be interrupted as the result of Eastern European efforts toward retaliation in the customs clearance of American couriers.

It is therefore recommended that the personal baggage of all incoming professional couriers bearing diplomatic passports be exempted from customs inspection. It is not felt this practice will have a harmful effect on our national security. If at some time in the future it should be considered that the waiver is prejudicial to the national interests, the Department of State will be prepared to reconsider its recommendation.

The Secretary of State would appreciate the cooperation of the Treasury Department and its representatives at the ports of entry in conducting the clearance of diplomatic couriers, with particular reference to those of Eastern European countries, in such a way as to obviate the possibility of retaliatory restrictions and hindrances to United States diplomatic courier operations abroad.[5]

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[4] Telegram 200 from Helsinki on April 28 is not printed. It noted that this occasion was the "first time our couriers have been subjected [to] inspection by Soviets," whereas heretofore their treatment had been "exemplary in comparison Customs most other countries." (116.32/4–2850) The Embassy in the Soviet Union in telegram 1254 on April 29, not printed, also reported the thorough inspection of the personal baggage of the couriers and inquired whether the Treasury Department had instructed the customs officials in New York not to make examinations as it had strongly recommended in telegram 730 on March 2. (116.32/4–2950)

[5] The Department of State advised the Embassy in the Soviet Union by telegram 369 on May 2, not printed, that it was formally requesting the Treasury Department to grant exemption from customs examination of all professional diplomatic couriers who possessed diplomatic passports. It had not yet replied to the complaints of the Embassy of the Soviet Union and would delay a few more days until the matter of the exemption of the personal baggage of couriers had been resolved. (116.32/4–2950) In telegram 1287 from Moscow on May 5 the Embassy expressed its gratitude for the efforts to obtain the reciprocal exemption from examination of couriers. Another inspection incident affecting United States couriers on April 29 was reported. The Embassy declared that it felt that the "importance this matter transcends purely administrative considerations in that, in light current difficulties we are experiencing in connection general status diplomatic representation behind curtain, any US derogation from complete immunity for diplomatic officials, couriers or otherwise, can have serious consequences if seized upon by Soviets, etc., to further their obstructive tactics under guise reciprocity." (116.32/5–550)

500–421—80——76

711.5622/5-450 : Telegram

The Secretary of State to the Embassy in the Soviet Union[1]

CONFIDENTIAL NIACT WASHINGTON, May 4, 1950—8 p. m.

377. You are requested present fol note to FonOff May 5.[2] Text being released to press Washington May 5, 10:30 a. m. EST.[3] "The Ambassador of the US of A presents his complements to the MinFonAff of the USSR and, with reference to the Ministry's note of April 21 regarding the lost Amer airplane, has the honor to communicate the fol:

The Govt of the USA notes that the Govt of the USSR continues to refer to an Amer airplane of the B-29 type, which allegedly penetrated Sov terr on April 8, despite the fact that it has been made clear that the only Amer mil airplane in the Baltic area on April 8 was a USN airplane of the Privateer type. The USG reiterates that this USN airplane was unarmed and was at no time over Sov or Sov-occupied terr or terr waters. It is thus apparent that the Sov Govt's account of this incident is not factual. The reply of the Govt of the USSR to the USG's communication of Apr 18 makes it obvious that the Govt of the USSR continues to base its position on the erroneous account which it put forward shortly after the incident occurred and that it has failed to carry out the careful investigation suggested by the Govt of the US which wld enable it to correct these errors.

The USGovt categorically denies that the Amer airplane violated Sov or Sov-occupied terr and rejects as wholly without foundation the protest contained in the last paragraph of the note of the Ministry of FonAff of Apr 21.

In these circumstances the Govt of the US has no alternative but to conclude that the Govt of the USSR has not only failed to meet but has no intention of mtg the obligations which internatl law and practice impose on members of the family of nations. It is clear that this disregard for law, custom and the opinion of mankind constitutes a further obstacle to the establishment of harmonious relations among nations and cannot be reconciled with the Sov Govt's continued protestations of its devotion to the cause of peace.

It is clearly impossible to resolve this issue so long as the Sov Govt refuses to base its position upon the facts of the case. The Sov Govt

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[1] This telegram was cleared with both the Secretary of State and the Secretary of Defense. It was also read and approved by the President.

[2] In telegram 1286 from Moscow on May 5 Ambassador Kirk advised that he had presented this note as No. 64, dated May 5, to Deputy Minister of Foreign Affairs Gromyko at 3:45 p. m., because Minister of Foreign Affairs Vyshinsky was "unavailable." The Ambassador stated that the note was "short and to the point." Gromyko read it and said that it "will be studied." (711.5622/5-550)

[3] The text of this note of May 5 was released on that day; see Department of State *Bulletin*, May 15, 1950, pp. 753-754. The text of the note of April 21 from the Soviet Union was released at the same time, *ibid.*, p. 754.

must, however, bear the responsibility both for the action of its Air Force and for the manner with which it has dealt with this incident. The Govt of the US must warn the Govt of the USSR of the seriousness with which it regards the attitude of the Govt of the USSR in matters of such grave consequence."

ACHESON

601.4161/5–850 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State [1]

CONFIDENTIAL Moscow, May 8, 1950—10 a. m.

1311. Deptel 367 May 1.[2] As indicated Embtel 890 March 20,[3] we are dubious whether institution by Department restrictions of travel Soviet diplomats would have ameliorative effect situation Moscow or satellites. While Embassy would welcome institution such restrictions US from standpoint general considerations, we would regret it if such action should result in further restrictions on our travel here. Department aware that travel we now able perform is useful, and that recently we have found it possible make rather extensive trips (Embtels 1005 April 1 and 1154 April 17 [4]).

If US restrictions decided on, we urge they be strictly reciprocal. That connection note that general demand that permission be obtained as distinct from simple notification in case travel outside specified radius (Depcirair August 19, 1949, 8 : 10 a. m.[5]) might cause us trouble. While notification plus control tickets is comparable to permission, in majority cases which involve automobile transportation to nearby spots outside Moscow notification is minor annoyance whereas obtainment permission likely be onerous.

KIRK

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[1] This telegram was relayed to London, Bucharest, Budapest, Praha, and Warsaw at 7 : 10 a. m., on May 8.

[2] Not printed.

[3] Not printed. The Embassy stated that it believed that the placing of restrictions on Soviet diplomats in the United States in the current temper of the American people "would serve as continuing reminder to public of unsatisfactory treatment US personnel Moscow." (601.4161/3–2050)

[4] Latter telegram not printed, but see footnote 4, p. 1135.

[5] *Foreign Relations*, 1949, vol. v, p. 648.

761.00/5–950 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

RESTRICTED Moscow, May 9, 1950—1 p. m.

1328. Soviet press May 9 devotes considerable space commemoration "victory over German imperialism". . . .

Repeating old theme Anglo-American forces opened second front only when Soviet victory seemed certain, articles are consistent current peace campaign, assert USSR, interested building Communism at home and seeing democratic sovereign European countries devoted peace, is striving for peace while Anglo-American imperialists in quest world domination preparing new war. Contrasted last year's treatment which confined German victory, this year introduced vital role Red Army in defeat Japan, leading establishment Chinese Peoples Republic, linked brotherly union with USSR.

KIRK

Editorial Note

Secretary of State Acheson, British Foreign Secretary Ernest Bevin, and French Minister for Foreign Affairs Robert Schuman and their advisers held a series of meetings on world problems at London, May 11–13, 1950. American, British, and French representatives met in London in late April and early May for a series of meetings in preparation for the meetings of the Foreign Ministers. The attitude and policies of the Soviet Union were touched upon in nearly all of the major questions considered in the preparatory meetings of American, British, and French representatives and later in the formal tripartite meetings of the Foreign Ministers, but some of the meetings were directed most specifically to the question of a general attitude toward the Soviet Union and the possibility of negotiations with Soviet authorities.

At a meeting of American and British representatives on April 25 (reported upon in telegram Secto 14, April 25, from London), Ambassador at Large Philip C. Jessup, a principal officer of the United States Delegation to the preparatory conversations with the British and the French, summarized the American position on the question of negotiations with the Soviet Union along the lines set forth in document FM D B–21b, April 20, page 1154. The British representatives indicated that they shared the American view that negotiations in the near future with the Soviet Union were very undesirable and explained that there was no particular pressure from British public opinion for such a meeting.

At a meeting of American, British, and French representatives on April 26 (reported upon in telegram Secto 23, April 27, from London), Ambassador Jessup again summarized the main points of document FM D B–21b. The French representative expressed broad agreement with the American view but emphasized that the door not be closed to negotiations with the Soviet Union. The British representative indicated that public opinion in the United Kingdom

would view with alarm any negotiations with the Soviet Union which resulted in a propaganda defeat for the West. At this same trilateral meeting, Charles E. Bohlen, Counselor of the Embassy in France and a principal officer in the United States Delegation at the London talks, summarized document FM D A-8, April 14, a paper prepared by the Policy Planning Staff which reviewed the overall power position of the Soviet bloc and the West and also the strengths and vulnerabilities of particular countries and areas.

In a conference document designated MIN/TRI/P/4, May 9, the American, British, and French representatives to the London preparatory meetings reached an agreed position with respect to negotiations with the Soviet Union. It was agreed that there was no prospect that such negotiations would currently lead to any general settlement and that the right course for the West was to continue to build up situations of strength. It was nevertheless further agreed that the door should not be closed and that the Three Powers should be prepared to examine the situation again, if for any reason it should appear that such negotiations would be of advantage to the West. It was also agreed that none of the Three Powers would negotiate with the Soviet Union on matters of common interest unless the other two agreed on the need for such a step and participated in the negotiations.

At their first formal tripartite session in London on May 11 (reported upon in telegram Secto 230, May 11, from London), Secretary of State Acheson, Foreign Secretary Bevin, and Foreign Minister Schuman approved document MIN/TRI/P/4 following a brief discussion of the difficulties of negotiating with the Soviet Union.

Unless otherwise indicated, the texts of messages and documents cited above are included in the documentation on the meetings of the Foreign Ministers of the United States, United Kingdom, and France, volume III, pages 828 ff.

661.80/5-1350

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

RESTRICTED Moscow, [May 13, 1950.]

No. 591

There are enclosed copies in condensed translation of an article captioned "The Struggle of the Russian People for an Outlet to the Black Sea", which was printed in *Red Fleet*, April 19, 1950.

This article, which was presented as material for use in political classes, is apparently the official short version of Russia's historical interest in the Black Sea area—the securing of its entire Black Sea coast line. It will be noted that reference is made only in passing to

both the Soviet note to Turkey of September 28, 1946 [1] and the view that "the procedure for the passage of ships through the Bosphorus and the Dardanelles, which was established by the Montreux Convention in 1936,[2] has ceased to accord with the interests of the Black Sea powers."

At the end of the article reference is made to alleged Anglo-American activities in the Greco-Turkish and neighboring Balkan areas with a view to creating in the mind of the Soviet reader a picture of aggressive intent by the Western Powers to undermine Soviet defense of the Black Sea Coast. It may be possible to interpret these passages as the opening move toward a renewed Soviet diplomatic and propaganda offensive regarding the Montreux Convention and the Straits. However, from the tone of the article as a whole and from its familiar concluding injunctions about vigilance and the need "to raise the quality of our military and political training", it would appear that the *Red Fleet* historical sketch of Soviet interest in the Black Sea is more or less what it purports to be, i.e., indoctrination material for political classes in the Soviet Navy.[3]

For the Ambassador:
RAY L. THURSTON
First Secretary of Embassy

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[1] For the translated text of the Soviet Union note of September 24, 1946 (published in Moscow on September 28), see *Foreign Relations*, 1946, vol. VII, pp. 860–866.

[2] The Montreux Convention was signed on July 20, 1936; for text, see League of Nations Treaty Series, vol. CLXXIII, p. 213. For documentation on the interest of the United States in the Montreux Conference regarding the regime of the Straits, June 22–July 20, 1936, see *Foreign Relations*, 1936, vol. III, pp. 503 ff.

[3] In an attached commentary by Harry N. Howard of the Bureau of Near Eastern, South Asian, and African Affairs, he remarked: "It is interesting to note that Soviet propaganda, for the past many years, has cited the continuity of Russian imperial policy with that of the Soviet Union, and rather appears to blame Imperial Russia for not achieving its aims!" As his concluding opinion he wrote: "Even for propaganda, I think, the boys ought to do a better job than this! I should think the Turks would not be unduly alarmed by anything of this sort." (661.80/5–1350)

411.61231/5–950

The Acting Secretary of State to the Chargé of the Soviet Union (Bazykin)

The Acting Secretary of State presents his compliments to the Chargé d'Affaires of the Union of Soviet Socialist Republics and, with reference to the Embassy's *aide-mémoire* of February 28, 1950 and related correspondence, conveys the following information with regard to the customs clearance of Soviet diplomatic couriers arriving in the United States.

The Department of State has been informed by the Treasury Department that any brief delay which may have been encountered by Soviet diplomatic couriers in effecting customs clearance at the port of entry has been the result of a lack of advance information on the part of the customs officials concerned with regard to the anticipated arrival of the couriers. As was indicated by an officer of the Department of State to Mr. Tolokonnikov, First Secretary of the Soviet Embassy, in a conversation on April 21, 1950, the United States Customs officials are prepared to expedite the customs clearance of Soviet diplomatic couriers in all cases, but that advance information as to their arrival date is essential to ensure that the customs officials concerned are notified sufficiently in advance to make the necessary arrangements. It was suggested to Mr. Tolokonnikov that the Embassy notify the Department of State of the anticipated arrival of all Soviet diplomatic couriers sufficiently in advance of the actual arrival so that the customs officials at the port of entry may be informed. The Chargé d'Affaires may be assured that the United States customs authorities will continue to extend all possible courtesies to Soviet diplomatic couriers. In view of the large amount of passenger traffic entering the United States through the Port of New York, it is urged that the Soviet Embassy make special efforts to provide the earliest possible advance information with regard to the anticipated arrival of Soviet diplomatic couriers.

With regard to the exemption of the personal baggage of Soviet diplomatic couriers arriving in this country, the Chargé d'Affaires is informed that arrangements have now been made whereby the United States Customs officials will waive customs inspection of personal baggage of Soviet diplomatic couriers on the understanding that such exemption is of a reciprocal nature [1] and that, as stated in the Embassy's *aide-mémoire* of February 28, 1950, Soviet customs authori-

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[1] The Assistant Secretary of the Treasury John S. Graham had written a letter dated May 17 to the Secretary of State in which he enclosed a communication of the same date from Frank Dow, the Commissioner of Customs in the Treasury Department, directed to the Collector of Customs at New York, Boston, Philadelphia, and Baltimore. These officers were authorized to observe that "not only the official communications carried by Russian diplomatic couriers shall remain inviolate as heretofore, but also the personal baggage and effects of such individuals shall not be examined and every proper means shall be afforded them to facilitate their passage through ports of the United States, including the processing of their baggage and effects in advance of ordinary passengers." The instructions to the Collectors went on to say: "The Department of State further advises that it has determined that, at the present time, the practice set forth above will not have a harmful effect on our national security, but that if at any time in the future reciprocal privileges are no longer granted to United States couriers, or it is found that the waiver of inspection is prejudicial to the national security, it will withdraw its recommendation for special treatment of Soviet couriers and collectors will be instructed accordingly. If any indication is observed of abuse of the additional exemptions on the part of Soviet couriers, the Bureau [of Customs] should be notified at once in order that the matter may immediately be taken up with the Department of State." (601.6111/5–1750)

ties will not inspect the personal baggage of diplomatic couriers of the United States entering or departing from the Soviet Union.[2]

WASHINGTON, May 17, 1950.

[2] The Embassy in the Soviet Union was informed of these arrangements in telegram 419 on May 17, not printed. The Embassy was asked to keep the Department of State informed of any failure by customs officials of the Soviet Union to accord reciprocal treatment to United States couriers. (601.6111/2-2850)

During a conversation on May 24 with First Secretary of the Embassy of the Soviet Union Lëv Sergeyevich Tolokonnikov, John M. McSweeney, the Acting Officer in Charge of U.S.S.R. Affairs in the Office of Eastern European Affairs, told him that on May 17 and 21 American diplomatic couriers had had their personal baggage inspected. "Mr. Tolokonnikov stated that he understood the reciprocal nature of the undertaking and would communicate with Moscow in order to assure that reciprocity would be extended by Soviet officials." (411.61231/5-2450)

511.6121/5-650 : Telegram

The Acting Secretary of State to the Embassy in the Soviet Union

SECRET WASHINGTON, May 18, 1950—5 p. m.

426. Emb shld proceed immediately announce price cut *Amerika* to Soyuzpechat along lines Deptel 345 Apr 21 with modifications as follows:

Reur 1309 May 6,[1] after further reconsideration Dept prefers five ruble price. Drop from ten to three appears desperation move, leaves insufficient area for further drop in event smaller format introduced, and offers Soyuzpechat extra arguing point on basis it wld undercut excessively new Russian equivalent *Soviet Union* at six rubles. Moreover price of latter wld appear dispel any possible US or world reaction *Amerika* still too high at five rubles.

Also consider essential Emb flatly inform Soyuzpechat it can retain two and one half rubles of new five ruble retail price, rather than negotiate on percentages, since Soyuzpechat wld have some grounds for argument if it suffered loss income while still distributing same magazine.

Re overprinting and stamping: Emb shld not accept return copies of No. 39 or any earlier issues at present, even for purpose stamping, view possibility Soyuzpechat finding technical reasons for refusing reaccept them. Prefer propose Soyuzpechat handle overstamping these issues or make arrangement therefor and credit expense against Emb account. Dept airpouching dozen rubber stamps and suitable colors ink and pads for easiest restamping. Emb authorized make any feasible arrangement Helsinki for overprinting 40, 41 and 42 if considered necessary but use USIS staff as originally proposed appears faster well as cheaper. Dept will handle overstamping issues 43 and thereafter before shipment.

[1] Not printed.

View above, Emb shld proceed immediately with written submission to Soyuzpechat as outlined in six numbered paragraphs of Deptel 345, altering Point 3 to make retail price five rubles and Soyuzpechat retention two and one half rubles, Point 4 to cover issues 39 and earlier only, and Point 6 to cover 37 through 39 only.

Recommend Emb seek hold consequent negots to minimum and keep matter of routine sale No. 40 and future issues at new price separate from technicalities of stamping and new selling effort on issues 39 and earlier. While proposing latter to Soyuzpechat as outlined, and refusing accept return copies on Emb premises pending negot, Emb authorized per Deptel 424 May 1 to drop issue of reselling old issues if convinced it will result in Soyuzpechat refusal accept full fifty thousand of future issues.

Forwarding separately draft reply to Vishinsky note for delivery FonOff immediately fol Soyuzpechat submission.[2] Purpose is to cap Vishinsky points with broad statement our position for the record, in event later publicization whole exchange. No publicization planned at moment, but official notes and background press release documenting Sov campaign to stifle magazine will be held for instant release in event Sov publicization of issue or overt action to bar *Amerika*.

WEBB

[2] Telegram 427 from Washington on May 18, *infra*.

511.6121/5-1850 : Telegram

The Acting Secretary of State to the Embassy in the Soviet Union

RESTRICTED WASHINGTON, May 18, 1950—5 p. m.

427. Foll text note to Vyshinsky re *Amerika* referred to immediately preceding tel:

"In reply your letter Mar 31, 1950 re mag *Amerika*,[1] I have honor inform you fol.

My Govt regrets Sov Govt appears unwilling continue carry out arrangement distribute in USSR fifty thousand copies mag *Amerika*, which it entered into by letter of Deputy MinFonAff S. A. Lozovski to Amb Smith Apr 23, 1946.[2] Amer Govt hopes Sov Govt will reconsider[3] this matter and express willingness remain faithful its

[1] See telegram 1033 from Moscow on April 4, p. 1138.

[2] See footnote 2, p. 1128.

[3] The Embassy had suggested certain revisions to be made in the text of this note in its telegram 1454 from Moscow on May 23, not printed. In reply by telegram 448 to Moscow on May 24, not printed, the Department preferred that the Embassy should proceed immediately as outlined in telegrams 426 and 427, but agreed to the replacement of the word "reconsider" by the expression "revert to its earlier agreement". (511.6121/5-2350) In telegram 1486 from Moscow on May 26, the Department was advised that both the note to Vyshinsky and the letter to Soyuzpechat had been transmitted on this day. (511.6121/5-2650)

earlier agreement. Sov Govt's frequently reiterated expressions its desire to further friendly contacts between peoples of world justify expectation it will make every effort prevent elimination this channel communication and good will from Amer people to people of the Sov Union.

Certainly it is impossible accept Ministry's statements re lack of reader interest in *Amerika* on part Sov public. Emb has much evidence contrary; large numbers persons from all classes of Sov people have shown continuing interest in mag. US Govt must therefore conclude that Sov authorities concerned have simply been unwilling, for whatever reason, to distribute mag effectively. This conclusion confirmed by fact that reports from many different cities in USSR show *Amerika* partially or wholly unavailable to those who desire to purchase it.

This apparent attempt by certain agencies in Sov Govt to limit and impair distribution *Amerika* shows disappointing lack interest in developing cultural interchange as path toward peace and internatl understanding. My Govt, which, in present instance as in past, desires make every possible effort develop and increase exchange of ideas and info between our countries, sincerely hopes that Sov Govt will show itself more cooperative re this mag than it has with regard to other suggestions for cultural exchange in past years.

I shld like to remind you that extensive series proposals embodying full summary long-continued Amer efforts increase cultural and scientific cooperation between our countries was presented by Amb Smith Feb 1947, but has never recd full reply from Sov Govt. View this negative record on cultural and info exchange in past, Sov Govt has especial opportunity in present instance to show its good faith by adhering its agreement to distribute fifty thousand copies mag *Amerika* in USSR.

Surely, if Sov Govt wishes to help in this matter, some arrangement can be found which will permit mag's continued distribution. Because its conviction importance of exchange of ideas between peoples, US stands ready make any reasonable concession in matters procedure and handling in order meet alleged difficulties Sov Govt in distributing mag. My Govt has already acted on statements Soyuzpechat officials that price of mag too high and has reduced that price from ten to five rubles. However, you will, of course, understand that production of mag, including time necessary for sending copy Moscow for translation and censorship, requires several months and must therefore, if Sov Govt handles the distribution, be based upon some firm advance commitment such as that given earlier to Amb Smith. If Sov Govt now wishes break that commitment for what it asserts be purely reasons mechanical distribution, my Govt suggests that mag be given permission establish organization in USSR to

handle its own distribution in same manner as is done in case of *Sov Info Bulletin* in US. Such arrangement wld, of course, include Sov Govt's specific permission use postal system for both paid and complimentary copies and also specific permission to place subscription advertisements both in *Amerika* itself (as you know, all material for mag is submitted for advance Sov censorship) and in newspapers and periodicals in various parts USSR.

Until whole question settled I suggest matter of payments due mag and that of "unsold" copies which Soyuzpechat has been endeavoring to return to be held in abeyance. If overall settlement can be reached, mag may be willing bear substantial losses created by failure Sov Govt carry out its distribution agreement.

I earnestly hope Sov Govt will show its expressed desire for cultural exchange between our nations is genuine by permitting continued distribution of *Amerika* in USSR."

WEBB

601.6111/5-2650

The Embassy of the Soviet Union to the Department of State

[Translation]

No. 91

The Embassy of the Union of Soviet Socialist Republics presents its compliments to the Department of State of the United States of America and in reply to the note of the Acting Secretary of State of May 18 [*17*] last has the honor to state the following.

1. The practice of inspecting the personal baggage of diplomatic couriers was not introduced by the Soviet agencies but by the American customs authorities at New York, and beginning with January 27 [*29*], 1950 the personal baggage of Soviet diplomatic couriers was inspected by them nine times. The Department of State was acquainted with the specific cases of such inspection three times: by an *aide-mémoire* of the Embassy of February 28 and by notes of March 18 and 30 of this year.[1]

The Embassy, of course, is agreeable to the proposal of the Department of State that in the future on the basis of reciprocity the inspection of the personal baggage of diplomatic couriers will not be carried out.

2. As regards the proposal set forth in the reference note of May 18 [*17*] regarding advance notification to the Department of State of the date of arrival in the USA of Soviet diplomatic couriers, it is the opinion of the Embassy that there is no necessity for change of the practices which existed up till recent times in accordance with

[1] The notes of March 18 and 30 are not printed.

which the regularization of the documents of diplomatic couriers both in the USA and the USSR will be conducted out of order without advance notification of the arrival of the couriers.[2]

WASHINGTON, May 26, 1950.

[2] In the course of a conversation with First Secretary of Embassy of the Soviet Union Tolokonnikov on May 31, John M. McSweeney reminded him that advance notification of the arrival of Soviet couriers had been suggested to the Embassy "many years ago in response to an inquiry." Such notification was helpful "in attempting to accord the Soviet couriers appropriate courtesies" because of the heavy amount of air traffic at New York. This explanation seemed to be new to Mr. Tolokonnikov, but he said that "he would convey Mr. McSweeney's suggestion to the Embassy again." (601.6111/5-2650)

611.61/5-2950

Memorandum of Conversation, by the Secretary of State

TOP SECRET [WASHINGTON,] May 29, 1950.

The meeting was arranged at Mr. Lie's[1] request. Present were The President, Mr. Lie, Mr. Byron Price[2] and Mr. Acheson. Mr. Lie was in the President's office for 15 minutes, the first five of which were taken up with photographs.

Mr. Lie said to the President that in his interview with Mr. Stalin[3] he had stated that his impression from his talk with the President was that the President had a most friendly personal feeling for Mr. Stalin and that the President said that he would be glad to receive Mr. Stalin as his guest in Washington. Mr. Lie then reported that he had said to Mr. Stalin that perhaps some other part of the United States, such as Key West, or in a neutral country, perhaps Switzerland or Sweden they could meet. Mr. Stalin's view was that there were so many difficulties now existing between the East and West that a meeting of the heads of state would not be profitable. He thought that at some time considerably in the future when these difficulties had been resolved except for one or two problems, a meeting might be useful. He did not foresee this at the present time.

[1] Trygve Lie was the Secretary-General of the United Nations.

[2] Byron Price was the Assistant Secretary-General of the United Nations.

[3] Trygve Lie had traveled to Europe on a peace mission and had met with Stalin for 90 minutes on May 15, with both Molotov and Vyshinsky present during a friendly conversation. At a press conference in Moscow on May 17, Mr. Lie stated that the discussion had been of a positive nature and covered a wide range of subjects. Among these were consideration of the international situation, the question of Communist Chinese representation at the United Nations, the "cold war," atomic energy and the hydrogen bomb, and his own proposal for the holding of periodic meetings of the Security Council attended by Foreign Ministers or the heads of governments. He asserted that he had found Stalin in good health. For documentation on Lie's peace mission and related matters, see vol. II, pp. 371 ff.

Mr. Lie then reported his discussion of possible periodic meetings of the Foreign Ministers in the Security Council. To this Stalin replied that acceptance of the Chinese Communists was a condition precedent to Russian return. After that condition had been fulfilled, it might be possible to have the meetings of the Security Council. In principle he accepted the idea and in principle he accepted Mr. Lie's memorandum as a working paper on which possible agenda for such meetings might be based.

The President replied that since the acceptance of the Chinese Communists in the United Nations was a condition precedent and since the Chinese Communists had made that extremely difficult, he did not regard it as necessary at this time to comment on future meetings of the Security Council. The President had the gravest difficulty in seeing how relations of the United States and the Peking Government could be worked out in view of the total disregard by the Peking Government of international obligations and in view of its treatment of the United States Government and its representatives. Mr. Lie thought that in a few months the matter might be altered since he hoped that the Peking Government would mend its manners. The President said that such a development might be the situation, but that he did not see signs of it.

Mr. Lie then said that he hoped that in the fairly near future the President might find it possible to receive Mr. Lie and have me present if the President so wished, to have a longer talk about these matters. The President replied that he would be always glad to see Mr. Lie, but that his schedule was pretty full at the present time and the meeting would have to wait for a while.

After the interview Mr. Lie referred to this suggestion again. I said that all three of us had pretty heavy speaking engagements during the next month or so, but that the matter could be kept in mind for a time when the pressure of work was a little less.

I then said to Mr. Lie that I thought it most important that he should not give the impression that something mysterious was about to happen. He said he had done his best to counteract such an idea, without much success, but that he would contiuue to work at this and that he realized he must be very careful because any move that he made could cause a great deal of trouble. When we went into the room outside the President's reception room where the press was gathered Mr. Lie said he had had an informal and confidential talk with the President, about which he was not at liberty to comment. He added that he wished to make it clear that he was not the bearer of messages between the President and Mr. Stalin.

D[EAN] A[CHESON]

761.00/5-2950

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

CONFIDENTIAL

No. 669

Moscow, May 29, 1950.

THE WITHERING AWAY OF THE STATE

In the Soviet Union, constant and prominent display is given to the slogan "Forward to Communism". In terms of Marxian dialectics, this represents the unambiguous proclamation of faith in the ultimate goal of "full" Communism, of which the present "Socialist" stage is considered as a mere transitionary phenomenon. The difference between the two is enormous, and he would be a heretic who would fail to pay at least lip service to this most basic of Marxist postulates.

"Full" Communism is, of course, the term used to describe that state of affairs in which workers will receive sustenance, lodging and other essentials of everyday life without regard to their productivity, but rather in relation to their ascertained needs. But, more importantly, "full" Communism demands that the State itself shall have "withered away", and with it all semblance of coercive police authority. To the Soviet worker, the victim of a speed-up system in industry and an all-pervasive police and thought-control policy in his everyday life, the very thought of "full" Communism must present itself as an entrancing mirage. Question periods at lectures in Moscow, attended by Western observers, serve to demonstrate the real interest of Soviet citizens in this aloof but promised goal, while the embarrassed reticence of the lecturers is indicative of the dilemma into which Marxist-Stalinist theoreticians find themselves, poised uncomfortably between the reality of the Stalinist police state and the nirvana of "full" Communism.

Grafted onto the absolutist traditional cultural pattern of the Great Russian, and with the addition of more than an admixture of the bureaucraticism inherent in today's statecraft, the Soviet Union has made steady and unhesitating strides in exactly the opposite direction postulated by Karl Marx. Under the direction of the Georgian ex-Seminarist, Stalin, there has taken place a massive revival of Great-Russian chauvinism on a plane to be expected in an Asiatic nation just emerging from the cocoon of imperialist tutelage rather than from the self-proclaimed "most advanced" technocratic state.*

With the elimination of bourgeois "remnants", and the creation of a modern industrial state, the student of Marx might expect a relaxation of control from above; the creation of new cadres of Bolshevik workers and peasants logically should lead to a diminution of pressure from the Party. In actual fact, of course, the reverse has been the

*Embdesp. No. 592 of May 11, 1950. [Footnote in the source text; despatch not printed.]

case. But, unless the proposed "correction"† of *Das Kapital* is more far-reaching than now seems likely (although, to the experienced "revisors of history" of the Kremlin almost no task is too great), continued obeisance must be paid to the doctrine of the final "withering away of the state". This, of course, requires the creation of new bogeymen, or the continued utilization of already-existing ones. Thus, the doctrine of Capitalistic encirclement must be pushed at all costs (being brought up to date by grim visions of a rain of atomic or hydrogen bombs from desperate Capitalists envious of the high fortunes of the workers' state), and bourgeois (or, in Central Asia, "feudal-beg") "remnants" must be uprooted on suitable occasions.

For it is a fact without gainsay that the "withering away of the state" is an unimaginable contingency in the context of current Soviet practice. The steady growth of the Soviet and Party bureaucracies, itself a species of duplication, is exceeded in importance only by the wastage of man power on a scale unparalleled in modern history. The cult of the Messiah, itself foreign to original Marxist thought, is further evidence of the unlikelihood of any reversal of the tide. And the trend, most highly developed since 1945 directed towards the creation of a synthesis of Marxism with all the variegated branches of the social and physical sciences, bids fair to becoming one more stone in the Kremlin's wall of monolithic orthodoxy, and, by that same token, one additional reason for the sempiternal maintenance and even enlargement of state apparatus.

For the Ambassador:
WALWORTH BARBOUR
Minister-Counselor

†Embdesp. No. 642 of May 19, 1950. [Footnote in the source text; despatch not printed.]

761.00/5-2950

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

CONFIDENTIAL
No. 676

Moscow, May 29, 1950.

POSSIBILITY OF PEACEFUL COEXISTENCE

A lecture delivered on May 16, 1950 by F. N. Oleschuk,[1] a frequent contributor to the central press, throws further light on current Soviet thinking on relations between East and West. As reported by a British

[1] Fëdor Nesterovich Oleshchuk had been assistant head of the Administration of Propaganda and Agitation under the Central Committee of the Communist Party of the Soviet Union.

Embassy observer, Mr. Oleschuk's remarks substantially were as follows:

The Capitalistic system as such contains within itself certain elements of crisis. Moreover, as a result of World War II, the sphere of action of the Capitalist camp has been reduced, while there has been a corresponding increase in the strength of the Communist camp. The struggle between these two camps has accelerated as the Capitalist camp frantically seeks to regain its lost position. As a result of specific actions undertaken at the instance of the United States (the Atlantic Pact, et cetera), the USSR is now confronted not simply by preparations for war, but by the rapidly accelerating threat of war. In this regard, it is the imperialist camp which has the greater reason to fear another war, given the enhanced position of the Soviet orbit.

The insistence upon the possibility of peaceful coexistence of the Communist and Capitalist systems is a fundamental doctrine of the CPSU(b).[2] However, it is incorrect to assume that this doctrine implies that such coexistence can exist in perpetuity. On the contrary, it presupposes a limited historical framework, and will cease to be operative when the working masses are in a position to overthrow the Capitalistic system. The longer Capitalism exists, the more inevitable will be its collapse, given the certainty that it is fundamentally rotten and degenerate. For this reason, the Soviet Union must fight for peace, making use of the peace front as a primary weapon. Despite certain setbacks (e.g. the poor showing of the British CP in the last elections), the peace front, with its six hundred million adherents, is fully equal to the task of maintaining peace. Having already ensured against Germany becoming a *place d'armes*, the next step is to prevent the attachment of the Ruhr to France, and to fight against the integration of Western Europe. The settlement of international problems is fraught with difficulties, but these must be solved if peace is to be assured "for ten years or more".

The foregoing statement of policy suggests certain parallels between the tactics of the Peace Front of today and the pre-war Popular Front. Like the Popular Front, the Peace Front seems primarily designed to stabilize the existing balance of power for a relatively short period of time, making use of non-Communist elements in this effort, and being predicated upon the assumption that in the interval the power of the Soviet Union will grow relative to that of the Capitalist world. The indication that the prevention of French-Ruhr integration is a primary task of the Peace Front suggests that the Kremlin does not place high hopes in the ability of the French Com-

[2] The Embassy had earlier reported in telegram 970 on March 28 that there was a renewed development of the propaganda on peaceful coexistence in connection with the election campaign speeches by Politburo members. It drew attention to a long article which had appeared on that day in *Pravda*, possibly in connection with recent speeches by Secretary of State Acheson. The article had placed "considerable emphasis on theme peaceful competition between capitalism and Communism, but ends on what might be termed 'uncompromising' tone in stressing 'active character peace movement' and abhorrence 'impotent pacifism.'" (761.001/3-2850)

munist Party to achieve power. Finally, the phrase "ten years or more" is the most concrete expression to come to the Embassy's attention of Soviet thinking on the probable duration of peaceful coexistence.

For the Ambassador:
WALWORTH BARBOUR
Minister-Counselor

Editorial Note

In a June 1950 memorandum the Department of State described "Soviet Violations of Treaties and Agreements." This study brought up to date the document which had been submitted on June 2, 1948, to the Senate Committee on Foreign Relations in response to Senate Resolution 213, 80th Congress, 2d session. (See the editorial note in *Foreign Relations*, 1948, volume IV, page 881.) This supplementary memorandum is printed in *American Foreign Policy, 1950–1955* (Washington, Government Printing Office, 1957), volume II, pages 1937–1944, and in the Department of State *Bulletin*, July 3, 1950, pages 8–12.

661.00/6-750 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State [1]

SECRET Moscow, June 7, 1950—2 p. m.

1578. From defensive tone and labored nature *Izvestiya* article June 4 cabled Embtel 1579, it appears that Ceylon *Daily News* treatment original *Izvestiya* article and cartoon re Buddha's tooth has hit Soviets in sensitive and vulnerable spot.[2] Whatever twisted double talk Soviets may indulge in on question, their attitude towards religion (e.g., in present case *Izvestiya* alludes to respect of Soviet people for religious beliefs and customs of other peoples, the attitude of Soviet public towards unity of all people of good will irrespective of their religious convictions, et cetera) the Soviet regime's hostile attitude toward religious organizations and beliefs is so well known and

[1] This telegram was relayed on June 7 to London at 10:35 a. m. and to Colombo at 11:00 a. m.

[2] Not printed. The original *Izvestiya* article of January 27 had commented on a conference of Foreign Ministers of Commonwealth countries which had been held in Colombo, Ceylon. British Foreign Secretary Ernest Bevin had visited a Buddhist temple in Kandy, which contained the religious relic of Buddha's tooth. The Ceylon *Daily News* on April 1 had countered with an article alleging that the *Izvestiya* article had been disrespectful toward the relic. (961.61/6-750)

documented that no amount of verbal acrobatics can protect Soviet propagandists against counterattacks on this subject.

While Embassy doubtful that any religions convictions as such are insuperable barrier against spread of Communist influence, it does recommend that all appropriate steps be taken through our information facilities to expose such Soviet pretentions re religion as in present case, in order that confused and unwary adherents to given religions may not entertain any illusions on this score.

Embassy suggests that Embassy Colombo be furnished with issues of "Soviet affairs notes" [3] on Soviet anti-religious campaign and other materials which might be useful in bringing to attention of people of Ceylon a true picture of the position of religion in USSR. Considering Communist threat to which all southeast Asia now exposed and fact that large part this area populated by Buddhist faithful, informational activity along this line might also be useful in other Asian countries.

KIRK

[3] "Soviet Affairs Notes" were usually weekly circular airgrams sent to several foreign posts containing brief, summarized items considered as possibly foreshadowing Soviet trends.

761.13/6–1450 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

Moscow, June 14, 1950.

1642. Soviet press June 14 Finance Minister Zverev [1] speech re 1950 budget. Data in billions rubles.[2] Highlights follow:

Total revenue 432.0 of which in part turnover tax 238.4, profits tax 39.8, state loans 27.0 (including loans from savings banks and insurance organs 31.8) taxes on population 36.4.

Total expenditures 427.9 of which in part finance national economy 164.4 social and cultural measures 120.7 defense 79.4 (18.5 percent of total) administration 13.9.

Financing national economy partly broken down: industry 85.3 agriculture and forestry 36.6 transportation and commerce 15.0 trade and procurement 9.3.

Social and cultural measures partly enumerated: Education 59.5 health and physical culture 22.0 social security 22.4 aid to mothers 4.0 scientific development 5.6.

[1] Arseny Grigoryevich Zveryev was Minister of Finance of the Soviet Union. His report was made to the Supreme Council of the Soviet Union.

[2] For a comparable report on the 1949 budget, see telegram 621 from Moscow on March 11, *Foreign Relations*, 1949, vol. v, p. 587.

Capital construction scheduled at 135.6 of which 106.5 from national budget and balance from funds of enterprises.

Total profits state enterprises 70.7. Not broken down.

KIRK

861.131/6–1650 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

CONFIDENTIAL Moscow, June 16, 1950—5 p. m.

1651. On June 8 and again on June 10 opportunity arose in conversation with Acting Foreign Minister Gromyko (Vyshinski on vacation since early June) to make comments on ruble dollar exchange rate. On 10 June I remarked that as of 1 July Soviets were in effect doubling all my rents and on what could only be considered as very short notice. This I said was not in conformity with US practice as he well knew. In reply Gromyko said that of course ruble rents remained unchanged, but when I demurred saying our dollar expense to obtain rubles was as was well known about to be doubled, his reply was to effect that ruble now had definite gold basis but when I pointed out Soviet Union did not participate in International Monetary Fund and that there existed no free market for rubles, he shrugged off matter by saying that rents in US were very high anyway. I commented Soviets owned their Embassy in Washington as we had turned it over to their government in 1934. and when he smilingly acknowledged such was the case I rejoined it was their good fortune such was the case.

[Here follow the final two paragraphs concerning the conversation of June 10 on the subject of the ruble requirements for expenses of running the Embassy in the Soviet Union, calculated as amounting to approximately 10 million rubles.]

KIRK

861.413/6–1950 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State [1]

SECRET Moscow, June 19, 1950—5 p. m.

1674. Tehran's 1141, June 16 to Department.[2]

1. In our view, while Communists utterly contemptuous spiritual values, for tactical reasons they are presently making use of organized religion (especially Islam and Orthodoxy) for their own ends. Thus outright persecution Muslims in Soviet Union on pre-war scale seems to have been replaced by a form of provisional equilibrium under

[1] This telegram was relayed to Tehran on June 19 at 2:50 p. m.

[2] Not printed.

which Muftis (both Shiite and Sunite, latter comprising vast majority Soviet Muslims) teach ideological compatibility Islam with Communism. As *quid pro quo* Muslims permitted practice religion on restricted basis, possibly even being favored in this respect over Christian sects.

2. Usefulness of 20 to 30 million Muslims for Soviet policy vis-à-vis Central Asian periphery countries and Muslim world generally seems obvious. Alleged freedom of worship pragmatically more valuable for Kremlin at this time than dubious advantage of extirpation.

3. On the other side of coin, it is undeniable fact that cultural aspects of Islam are being steadily and systematically eradicated by state. Organization ex-Nomads into collective farms, growth urban proletariat, teaching of Russian language and presence of Russian settlers, complete secularization of education inevitably are weakening hold Muslim clergy.

4. Under these conditions, Islam probably is scheduled to become purely ritualistic form. This process obviously will take time, and meanwhile there are numerous instances of passive resistance. Press often admits persistence Muslim social patterns, retention of Purdah, paucity Muslim women in professions, etc.

5. Our access to *Turkmenskaya Iskra* has now been cut off and of other papers (we receive Russian-language ones only) from Muslim Central Asia we are able to subscribe to but one copy each which we customarily send immediately to Department for analysis. However, we will endeavor scan these in future and will cable any outstanding developments.

6. We believe DRE can provide ample material on official Communist attitude towards religion in general, based upon materials currently appearing in Soviet press. But, for reasons outlined above, we think it more profitable to concentrate on such aspects life Soviet Muslims as breakdown cultural patterns, complete ascendency of Great Russians in political and economic life Central Asia, emphasizing Soviet intention of turning Islam into sterile and purely formalistic rite.

KIRK

761.022/6-2150 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State[1]

SECRET Moscow, June 21, 1950—1 p. m.

1689. Following as it does recent shooting down of US plane over Baltic, appearance in latest *Soviet State and Law* (No. 5, 1950) of

[1] This telegram was relayed to Stockholm, Oslo, Copenhagen, and Helsinki at 9:10 a. m. on June 21.

Ph.D. Thesis presenting theoretical justification for closing of Baltic Sea to warships all non-Baltic countries [2] points up Soviet sensitivity re Baltic [3] and may constitute initial step toward eventual Soviet claim that Baltic is "closed sea." While conceding that Baltic should be left open to merchant shipping all countries, article attempts reserve control Baltic and Straits to riparian powers and demands "effective closing" of Straits on this basis. Thesis shows some similarity to Montreux Convention terms re Black Sea.

Timing this obviously officially-approved article coincides with conclusion Soviet-Finnish five year trade pact and signs Danish concern over its NAT obligations. Proposal re warships non-Baltic powers may appeal to certain jittery Scandinavian political elements and may strengthen tendency this area toward neutral position in cold war. Danish Chargé here has been instructed by his Foreign Office send full report.

Despatch follows.[4]

KIRK

[2] S. V. Molodtsov had written a thesis on "The International Law Regime of the Baltic Straits" and had successfully defended it before the Learned Council of the Institute of Law of the Academy of Sciences of the Soviet Union.

[3] See also the memoranda of October 6 and December 26, pp. 58 and 62.

[4] Not printed.

511.6121/6–2350 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

RESTRICTED Moscow, June 23, 1950—1 p. m.

1710. Following is text letter June 20 from Gromyko to Ambassador on magazine *Amerika:* [1]

Reference your letter May 26 to MFA of USSR, A. Ya. Vyshinsky on question distribution magazine *Amerika* Soviet Union I have honor to communicate following.

Statement contained your letter on "refusal Soviet Government fulfill agreements distribution Soviet Union of 50,000 copies of magazine *Amerika*" is lacking any foundation since Soviet Government has not taken and cannot take upon itself responsibilities refuse distribution in USSR of 50,000 copies of magazine *Amerika* regardless of whether there is demand or not for this number copies of magazine.

As for letter mentioned by you from Deputy Minister USSR of April 23, 1946,[2] it is only informatory letter in which it is reported

[1] In telegram 1709 sent from Moscow at the same time Ambassador Kirk judged that the nature of this answer was "not surprising, since it is obvious that Soviet Government will never admit that official or administrative obstacles are put in way of distribution of magazine. In fact statement in last sentence is perhaps more favorable to possibility of continued distribution of magazine at new reduced price than there was reason to expect." (511.6121/6–2350)

[2] See footnote 2, p. 1128.

that in answer corresponding inquiry Ministry Foreign Affairs, central administration for distribution and expediting of printed matter (Soyuzpechat) had replied that "it can assume distribution from June 1, 1946, 50,000 copies of magazine *Amerika*." Obviously above communication of Soyuzpechat can in no measure be regarded as any obligation on its part to distribute magazine *Amerika* independent of demand for it on part of Soviet readers.

In your letter also attempt is made to connect question distribution magazine *Amerika* with question having no relation to it of culfural and scientific cooperation between USSR and USA and there is contained statement on supposed negative attitude Soviet Government toward such cooperation and that Soviet Government supposedly had not even answered corresponding American proposals submitted in February 1947. This statement does not correspond to reality for answer of Soviet Government on point of these proposals as is well known to Embassy was given in letter of A. Ya. Vyshinsky of April 21, 1947. In this same letter facts were adduced testifying to ill-disposed attitude of Government USA to establishment of cultural relations between Soviet Union and US. Since then there has been considerable increase of facts indicating that Government USA itself puts obstacles in way of cultural cooperation between two countries.

Reference other questions raised in your letter in connection with decrease in demand for magazine *Amerika* in USSR, I have nothing to add to what has already been communicated to you in letter of Ministry Foreign Affairs USSR of March 31 all the more since these questions have commercial character by virtue of which they enter not into competency of minstry but into competency of Soyuzpechat.

As for hope you expressed that Soviet Government "Will permit continued distribution of magazine *Amerika* in USSR," it goes without saying that there is no necessity of giving such permission second time since on part of Soviet Government there has not been and there is no prohibition or limitation whatever of free sale of magazine *Amerika* in USSR.

KIRK

961.61/6–2550 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State [1]

Moscow, June 25, 1950.

1728. Following is brief synopsis *Pravda* leading article June 24 under heading "conspirators against peace, against UN":

[1] This telegram was relayed to the U.S. Mission at the United Nations on June 25 at 1 : 41 p. m.

Peace movement, which has become one of central themes contemporary life, is rapidly growing and becoming more effective. At same time bankruptcy US policy increasingly evident, and "total propaganda" US leaders intended simply to mask this bankruptcy. Despite claims Acheson and others rift between US and European allies clearly evidenced by "monumental failure" recent London conference. Even broad masses Americans are alarmed and dissatisfied with course US policy. In recent weeks Truman and Acheson have vainly attempted to stave off this growing discontent by hysterical statements on Communist danger, and "blackmailing character new campaign is more than obvious". Thus "total diplomacy with its methods intimidation and brow-beating is addressed not only to outside world but also against American people. Conspiracy of reactionary Wall Street clique against peace is conspiracy of handful warmongers against all people, including American people."

On international plane "failure of policy of American warmongers stands out even more sharply. One of symptoms of contemporary international atmosphere is growing isolation of warmongers". Ordinary man everywhere is averse to war, and he "charges US with urging world on to third world war". Cornered, US leaders attempt to disguise their policy as "defensive", as shown by Acheson suggestion that phrase "cold war" be discarded. But "this forced verbal juggling will deceive no one". Hysterical rage of imperialists evidenced by "Truman's message on delivery arms to foreign states which recently sent Congress".[2] It was "unprecedentedly crude and cynical propagandation of policy of aggression and international adventure".

Acheson policy statement envisaging creation "situations of strength" in world clearly "leaves no room for policy peaceful international cooperation thereby undermining basis on which UN built. Conspiracy American imperialists against peace includes as component conspiracy against UN." Soviet Union on other hand has always stood for turning UN into effective organ international cooperation, as shown Stalin's press statement March 22, 1946.[3] American efforts chiefly directed at destroying "fundamental principle" UN, namely at "dynamiting cooperation between five great powers" through use "clandestine combinations" or notorious "voting machine".

Atlantic Pact unquestionably is one of main elements in conspiracy against peace, being weapon "aggressive desires of narrow group of rulers". As such it stands opposed to will majority world's people who support the "clear-cut proposals of USSR for conclusion peace pact

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[2] For the text of the Special Message to the Congress on Military Aid, sent on June 1, see *Public Papers of the Presidents of the United States: Harry S. Truman, 1950*, pp. 445–449.

[3] The replies by Stalin to the questions submitted by Eddy Gilmore, chief of the Moscow Bureau of the Associated Press, were printed by Soviet newspapers on March 23; see *Foreign Relations*, 1946, vol. VI, pp. 725–726.

between USA, Britain, France, China and USSR, for unconditional ban on atomic weapons, for reduction armaments five powers by one-third."

Thus where US rulers hypocritically profess allegiance to UN in fact their main efforts devoted to its disruption. Were it not for fear "causing sharp explosion of protest from millions of people world over, US conspirators would have brought their subversive work to logical conclusion" through liquidation UN.

KIRK

861.13/7-1250

Memorandum by the Director of the Office of International Trade Policy (Brown) to the Assistant Secretary of State for Economic Affairs (Thorp)

TOP SECRET [WASHINGTON,] July 12, 1950.

The following comments are offered on an OFD paper, prepared for S/P,[1] which ITP has been permitted to examine.

Background

The USSR is a major producer of new gold; gold remains a generally accepted standard of value and can be exchanged for most foreign currencies, even if these currencies in turn are not readily convertible into gold. Under current conditions, therefore, new gold production sold either to national banks or to private traders is a source of some current and of even greater potential purchasing power for the Soviet Union. So long as gold is freely purchased in western countries, it is clear that the magnitude of Soviet purchasing power abroad and the countries in which it is utilized cannot be controlled. The U.S. Treasury policy of purchasing all monetary gold at a fixed price is of course an important factor in maintaining the universal salability of gold. Third countries can resell Soviet gold to the United States at any time in return for dollars, which are urgently needed by most countries to finance their current deficits on

[1] This 13-page memorandum of March 31 is not printed. Its declared purpose was: "To formulate a position on a proposal that the US Government initiate and/or support a resolution in the International Monetary Fund that a system of certification of the gold reserves of member countries be established by the International Monetary Fund." The memorandum pointed out: "The question of the desirability of immobilizing Soviet gold, to which this proposal is only one of a number of possible approaches, has been under consideration by the Department for some time." Efforts had been made to acquire all available information on the gold operations of the Soviet Union and to evaluate their importance from the viewpoint of the cold war program. "The primary purpose of the proposal is 'to destroy all monetary value outside the USSR of Soviet gold', making it impossible for the Soviets to use such gold for the purchase of commodities on the prohibited list and for illicit political activities abroad. This aim is overambitious at least in terms of the present proposal." (861.13/3-3150)

trade or invisibles account. Curtailment of the Soviet Union's gold operations has been suggested as necessary to western security against the Soviet economic or political aggression that may be financed by such operations and as an economic warfare measure designed to weaken the Soviet Union's position on international payments account.

The OFD paper under reference examines a proposal along these lines, namely, that the U.S. support a resolution in the International Monetary Fund, under which the Fund would issue identification certificates and maintain a register for the gold holdings of member countries (and possibly certain non-members). This system would be combined with an arrangement for certifying the newly mined gold of member gold producing countries (i.e. excluding gold production of the USSR). The United States might also spear-head the adoption of such a proposal in the IMF by altering the U.S. gold purchase policy: i.e. limiting U.S. "free" purchases at a fixed price to identifiable and certified gold. As a result, official gold transactions of member countries soon would be limited to trading in registered or certified gold and USSR new gold production would be barred from the world gold market, in so far as intergovernmental transactions are concerned.

The OFD paper does not recommend that this proposal be adopted since, as the paper explains:

(1) It would not be an effective means of restricting Soviet gold operations. Available evidence indicates that the Soviet Union sells relatively little gold through official channels, while its sales to private hoarders on premium gold markets may be as much as 10 times the annual volume of its official gold sales.

(2) It would not eliminate this private market for Soviet gold, although non-certified gold might be expected to move at a lower price than certified gold. Private hoarders purchase Soviet gold to evade taxes or secure a long-term hedge against inflation and are not primarily interested in the usual function of gold as a current medium of exchange.

(3) It probably would not meet with the approval of all other IMF members.

(4) It would constitute an attempt on the part of the United States to suborn an international organization to a specific U.S. objective in the cold war. Such an action might have serious implications for the future of these international organizations, including their present degree of independent action, their useful functions as supra-national organizations and as a frame work for east-west cooperation in international affairs.

(5) If the United States must encourage its adoption by altering U.S. gold purchasing policy, the proposal will involve also a substantial deviation from the principles under which the United States operates a "limited international gold standard". Although U.S. currency is no longer freely convertible into gold by private individuals, the U.S. policy of (*a*) purchasing all gold offered at a fixed price

and (*b*) permitting gold to be used in settlement of its foreign balances is intimately related to the maintenance of gold as a limited international standard of value.

The OFD paper notes that since Soviet gold operations cannot be effectively limited by this IMF action alone, supplementary measures logically would be required to restrict Soviet gold sales through private channels. These might include, for IMF member countries, (1) suppression of free gold markets, (2) strengthening foreign exchange and gold control measures and (3) freezing Soviet bloc bank accounts. The OFD paper recognizes that United States advocacy of such measures would constitute a reversal of our present policy, which looks toward the reduction of governmental controls over international trade and finance as rapidly as circumstances permit.

As an alternative, therefore, the OFD paper suggests that unilateral action by the United States might be substituted for IMF action to obtain approximately the same results as the original proposal. Because of the importance of U.S. purchases on the world gold market, a U.S. directive making Soviet gold unacceptable for U.S. purchase would greatly affect the marketability of Soviet gold in official transactions throughout the world. As an alternative to advocacy of tighter financial controls by foreign countries, the OFD paper proposes that the United States strengthen its own economic warfare measures against the Soviet bloc, and especially measures affecting trade.

Discussion

The following comments reflect the views of ITP, based primarily on the security and trade aspects of the problem:

1. *IMF Gold Policy*

The OFD paper has presented valid arguments against the use of the IMF as a means of blocking Soviet gold operations.

2. *Treasury Gold Policy*

ITP does not concur, however, that the proposed unilateral U.S. action is a feasible alternative, in as much as this action would have some of the same objectionable features as the proposed IMF action, as noted in Background above, points 1 and 2. Unilateral U.S. action also would affect *only* official Soviet gold transactions and would leave untouched and uncontrolled the reportedly greater volume of Soviet gold sales to private hoarders.*

Unilateral U.S. action also would require the United States to alter existing Treasury policy on gold purchases, and the maintenance of the limited international gold standard and these were considered

*There is apparently some difference of opinion between OFD and DRE as to the magnitude and importance of current Soviet gold sales. The DRE opinion is that the USSR has not been selling substantial quantities of gold. [Footnote in the source text.]

objectionable in the OFD view, as indicated in part 5 above. In this connection, it may be noted that the current proposals, whether for IMF or U.S. Treasury action, are attempts to de-monetize a portion, i.e. the USSR share, of the world's gold. As a security measure against the USSR, it would not be effective because it is not likely to restrict Soviet unofficial gold transactions. In economic terms, such action is likely to bring about some alteration in the role of gold as a universally acceptable medium of exchange in international payments relations. Some thought should be given also to the fact that any U.S. action in the direction of de-monetization of gold, will have its most adverse effects not on the USSR but on the United States, since it is the latter that holds the world's largest stocks of monetary gold reserves. It raises the question also as to what effect such action may have on the volume and price of certified gold, with permitted monetary uses. Reportedly, premium prices for gold have dropped considerably; the current proposal may therefore create at this time a reverse price differential, with U.S. official purchases as the ceiling and private sales at a discount. A price differential between certified and non-certified gold holdings, in favor of the former, might dump all the world's certified gold production on the United States, while countries using gold settlements in trade with partners other than the United States would find it convenient to purchase cheap gold on private markets.

A more sweeping economic warfare measure against the USSR, to which consideration might be given if U.S.-USSR relations deteriorate to "conditions short of war", is the complete de-monetization of gold. It is possible that U.S. action alone could not achieve a world-wide de-monetization of gold. It is possible that the effects of such action also would seriously impair the stability and efficiency of financial systems throughout the non-Soviet world. Even with many current modifications of the traditional gold basis of international payments, gold is still being used as a long-term standard of value, store of value and medium of exchange.

On the other hand, it has been pointed out that over recent years the United States has been the principal purchaser of the world's new gold production and the United States now holds the bulk of the world's monetary gold reserves. It has also been alleged that world trade and payments relations *could* be conducted satisfactorily without the use of gold. In that case, action by the United States and other friendly governments might effect the complete de-monetization of gold. In the event of emergency, such action might be the only effective way of sterilizing Soviet gold reserves and new gold production. Before such a step is taken, however, there would need to be careful planning of an alternate system of international exchange and payments, e.g. the advisability of using such measures as dollar settle-

ments, regional currency clearing schemes for dollar short countries and exchange rate computations based on the purchasing power of any given currency in terms of dollars or by means of an international price index for a "market basket" of goods.

3. *Supplementary U.S. Measures*

In the ITP view, the supplementary measures that are proposed by the OFD paper to accompany the proposed alteration of Treasury gold purchase policy are either undesirable in themselves (e.g. U.S. import controls) or are already being developed, in so far as they feasibly can be developed, within a separate context (especially export controls of the United States and OEEC countries).

a. Import Controls. The OFD paper proposes as one such supplementary measure "tighter trade controls including the introduction of import controls." Both sales of gold and merchandise exports to the United States are methods by which the USSR has more or less free access to whatever dollars or other currencies it requires. Control of U.S. gold purchases without an accompanying regulation of U.S. imports therefore might divert but not limit Soviet access to dollars.

On the other hand, it is clear that (1) new legislation may be needed before U.S. import controls can be established by executive action,† (2) as a security measure, U.S. import controls would accomplish little because of the relatively small volume of U.S. trade with the USSR and its satellites while (3) raising the question of import controls at this time will stimulate protectionist activity on the part of Congress, in the name of national security. A U.S. import control system, therefore, is likely to have its most adverse effect not on the Soviet bloc but on ERP countries and their current programs for expanding exports to the United States. It should be noted also that the United States could not justify its own imposition of import controls under GATT,‡ under either balance of payments, security or development exceptions. Thus, on balance, the imposition of U.S. import controls is likely to result in injury to our objectives of European recovery and world trade expansion that is out of all proportion to its efficacy in curtailing Soviet access to free dollars.

b. The OFD paper also notes as possible supplementary measures an "increase of prohibited list items" (i.e. for U.S. export) and "insistence on more cooperation from friendly nations and tighter controls of go between traders in certain countries . . .[2] where we have the power to insist on such controls". Presumably these are suggested as general economic warfare measures, since these are not measures for limiting Soviet financial resources. On the contrary, stricter control of U.S. or western European exports to the Soviet bloc, which may be expected to decrease the volume of western exports to that area, can even bring about an improvement in the Soviet balance of

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†Authority to license imports exists under the trading with the Enemy Act. It is believed however that the Congress would not favor use of this act for the purpose now being discussed. [Footnote in the source text.]

‡This statement assumes that the U.S. is not at this time prepared to declare economic warfare by the invocation of Art. XXI (*b*) (iii). [Footnote in the source text.]

[2] Ellipsis indicated in the source text.

payments position. Thus, if Soviet exports are not decreased, the Soviet Union will acquire larger net balances of dollars of foreign currency credits than at present.

Security trade control programs are, of course, already in effect and in process of extension by the United States and other friendly governments.[3] These programs differ from the OFD proposals in two fundamental respects: (1) commodities are selected for control on the basis of their strategic significance in developing Soviet war potential and (2) controls are paralleled by other friendly countries on the basis of U.S. and western European understanding of our mutual security interests.

c. Although it appears that the U.S. cannot influence the Soviet Union's overall balance of payments position without taking both monetary and trade control measures, it is not at all clear that (1) such measures would succeed or that (2) their net effect would be economically desirable for the west. It should be noted that the various possible controls, over trade and financial relations, may work at cross purposes with each other, in so far as the Soviet balance of payments is concerned. It should be remembered also that the theoretical effect of a specific western control measure probably would not be allowed to work itself out "all other conditions remaining equal". We must always take into account the likelihood of some negating action on the part of the Soviet Union, which is in a better position than the western world to control the volume, content and direction of its merchandise trade and which can continue to sell gold in private, if not in official, gold markets. Developments of the recent past indicate, if anything, the flexibility of the Soviet Union's trade and financial policies, dependent upon expediency and its own political advantage.

(1) In illustration of the cross-currents that may be stimulated by control measures, it may be noted that controls over western imports theoretically could result in an unfavorable Soviet trade balance with the west. However, as noted above, stricter western export controls, in so far as these were not paralleled by decreased Soviet exports, would tend to improve the Soviet payments position with the west. In the absence of import restrictions, restrictions on gold sales might increase Soviet merchandise exports and not necessarily its most desirable exports. In the absence of restrictions on gold transactions, western import restrictions might encourage exports of Soviet gold. Western export controls that are not accompanied by import restrictions would seem to make gold controls unnecessary for Soviet balance of payments purposes unless the Soviet Union chose as a matter of policy to decrease its merchandise exports and to utilize its gold sales to finance invisibles or even some trade transactions.

(2) Under present conditions, a favorable Soviet trade balance with the western world would seem to be of certain benefit to western economic and long-term security objectives. It would require an expenditure of Soviet resources and productive effort in the current period in excess of the volume of goods being received in return; by the amount of that balance, goods would

[3] For documentation on the trade policy of the United States toward Eastern Europe and the Soviet Union, see pp. 65 ff.

be subtracted from Soviet consumption and development efforts and made available for western consumption. In the current period, such trade balances would be financed by western countries' acceptance of orders for future delivery or by Soviet invisible debts abroad. These invisible debts, however, may encompass the payments required to finance political activities and therefore a favorable balance of Soviet trade does have its unfavorable aspect from a security point of view. On the other hand, an unfavorable balance of Soviet trade might indicate that the U.S.S.R. was developing its industrial plant or stockpiling strategic materials at the expense of western productive effort and that this trade balance was being sustained by Soviet gold sales, private or governmental.

It may be noted that the present system of western trade controls does not propose to restrict the overall volume of peaceful east-west trade. In fact, restoration of eastern Europe's dwindling favorable balance with west (i.e. an excess of eastern commodity exports to the west, that is now diminishing as east-west trade bilateralizes) probably would make a useful contribution to western European recovery. Even under conditions of balanced east-west trade values, an overall restriction on east-west volume is not desirable, since the development of western European export markets of non-strategic goods in the east is economically important. The viability and ultimate security of western price economies, it must be remembered, is intimately connected with the prospects for their expansion and development, including production, employment, sales and investment. If such prospects are not in evidence, or if they are restricted rather than promoted by government action, the downgrade of the business cycle is only too readily invoked.

(3) Until the past year, the Soviet Union had a decidedly favorable balance of merchandise trade with non-Soviet areas. It was not therefore forced to sell gold and apparently it did not make sizable gold sales. It was encouraged to sell some gold, not by its international payments problems, but apparently by the premium prices offered on some gold markets (and these reportedly are of declining importance).

In the past year, it has been noted that the Soviet trade balance has become less favorable; according to data presently available,§ it is not believed likely that the Soviet Union actually has debit on current account, mainly because the Soviet Union accumulated in previous year's trade short-term balances in sterling and other western European currencies. These balances helped to finance 1949 purchases of raw materials and already had prepaid certain of the 1949 western deliveries of machinery and equipment. Export controls in the United States and to a lesser degree in western Europe during 1949 did not result in increasing the Soviet favorable trade balance. Rather, the Soviet Union decreased manganese shipments to the United States and reduced grain shipments to western Europe. In both cases, the goods could

§DRE is preparing such an estimate for merchandise trade only. [Footnote in the source text.]

have been sold in western markets, although grain sales would have required a downward adjustment of Soviet prices, in line with the world-wide price trend.

In 1949, it is likely that Soviet actions were politically as well as economically motivated: Thus, decreasing its manganese exports to the United States was a form of retaliation against U.S. export controls. In direct trade relations with the United States, the Soviet Union could obtain fewer of the goods it desired with dollars and therefore had less incentive to export to the United States. In decreasing grain shipments to western Europe, the Soviet Union may have been retaliating against the stiffening attitude of western negotiators over their strategic commodity exports or over prices, or it may have been conserving grain for exports elsewhere. It should be remembered that the Soviet Union generally exports whatever volume of goods is needed to finance the level of imports it proposes (and is permitted) to obtain. It can always consume more and export less; it can export goods or gold or some of both.

Conclusions

In any case, the record of the recent past seems to indicate (1) that the Soviet Union's actual gold sales probably have been induced by the attraction of premium prices; (2) that the Soviet Union is not actually in need of gold sales to balance its international payments; and (3) that unilateral U.S. action by the traditional types of economic control (i.e. by actions short of such drastic measures as complete de-monetization of gold or a collective western embargo of all trade with the Soviet bloc), is not likely to have very much effect at this time on the Soviet Union's ability to pay for whatever goods and services it is permitted to obtain in foreign countries.[4]

The further we proceed in attempting to influence the overall balance of Soviet international payments, by monetary or trade measures, the more complicated becomes any estimated effect of such action (e.g. a negative Soviet balance on international payments might tend to deplete Soviet gold reserves but also might call for an excess of western exports to the east in the current period). It is also more than likely that such attempts would be negated by Soviet counter measures, such as private gold sales, restriction or expansion of its own volume of trade or resort to trade through third countries.

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[4] The conclusion reached in the original memorandum, in the preparation of which the Office of Eastern European Affairs had participated and with which it in general agreed, stated: "Soviet financing of its activities abroad by use of its gold reserves and/or production both currently and potentially represents a problem of considerable magnitude. The proposal for a sterilization of Soviet gold through certification by the IMF of members' gold coupled with alteration of US gold policy terminating US purchases of gold not so certified would accomplish the desired objective only to a very limited extent and would unavoidably provoke political reactions disproportionate to the results obtained."

661.00/7-1350

Memorandum by Mr. Charles E. Bohlen, Minister to France, Temporarily in Washington[1]

TOP SECRET [WASHINGTON, July 13, 1950.]

EVALUATION OF THE GENERAL SITUATION

Careful and intensive analysis of possibilities in the world situation in particular points and of the character of the new Soviet inspired aggression has revealed, of necessity, various interpretations as to Soviet intentions. However despite these differences in estimate, all studies on this subject which have been conducted in State and Defense agree on the following conclusions:

1. The Soviet Union has the military capability at the present time of taking, or inspiring through satellites, military action ranging from local aggression on one or more points along the periphery of the Soviet world to all-out general war.
2. While estimates of probabilities of Soviet action vary it is completely agreed that there is not sufficient evidence to justify a firm opinion that the Soviet Union will *not* take any one or all of the actions which lie within its military capabilities.
3. There is unanimous agreement, therefore, that the present world situation is one of extreme danger and tension which, either by Soviet desire or by the momentum of events arising from the Korean situation in which actual warfare is in progress, could present the United States with new outbreaks of aggression possibly up to and including general hostilities.

There are definite signs that the United States reverses in Korea have brought discouragement and dismay to our friends and it is to be expected that as long as these reverses continue this feeling will deepen, possibly even to the point where our friends and our allies will begin seriously to question the validity of their military and political association with the United States. For the same reason our reverses will tend to render more confident and arrogant our enemies and increase accordingly the possibility that they will be emboldened to take greater risk to achieve certain objectives than heretofore.

It is therefore obvious that it is urgently necessary for the United States to initiate measures necessary to bring about a rapid build-up of the United States military position both in manpower and in production in order to place us as speedily as possible in a military situation commensurate with the present state of international affairs.

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[1] The outbreak of hostilities in Korea had occurred on June 25, 1950. For documentation, see vol. VII, pp. 125 ff. Mr. Bohlen had returned from France and had participated in the considerations of the policy to be followed by the United States.

Among others the chief reasons for such action may be listed as follows:

1. Vital necessities of U.S. national defense.
2. The possible deterrent effect upon our enemies of evidence that the U.S. is seriously mobilizing its strength, as an offset to the encouragement they would receive from our reverses in Korea.
3. The heartening effect particularly in the field of military production that such action would have upon our allies.

[Enclosure]

U.S. Actions Required To Minimize the Likelihood of Soviet Aggression or of New Soviet-Inspired Aggression and To Deal With Such Aggression if it Occurs

1. From the political point of view, we can most reduce the likelihood of further Soviet and Soviet-inspired aggressive moves by a decision to achieve a rapid and substantial development of the strength of our armed forces and the armed forces of our NAT allies and by solid evidence of the economic and industrial measures to make this decision effective. Measures under this heading include:

a. Federalization of the National Guard and employment of the draft to accomplish a rapid increase in forces under arms; reactivation of available air and naval equipment.
b. Appropriation of funds and placement of orders to equip these forces as rapidly as possible, including adoption of necessary economic control measures (such as authority to allocate scarce materials and to impose limitation orders), and activation of idle capacity and development of new capacity for production of military end-items and related items.
c. Acceleration of rate of MDAP deliveries to Western Europe and appropriations of funds necessary for this and for expanding military production in Western Europe.
d. Initiation of an intensive program for development and perfection of new defensive weapons.

It is of the greatest importance to make a start without awaiting the perfection of detailed plans, if necessary by requesting round-number appropriations for these purposes as a first step toward building the strength which the Korean crisis has shown to be necessary.

2. It is also important to take measures which will increase the confidence and solidarity of the free world. It also includes increased economic assistance to potentially threatened areas, possibly $300 million.

511.6121/6–2350 : Telegram

The Secretary of State to the Embassy in the Soviet Union

SECRET WASHINGTON, July 20, 1950—5 p. m.

57. Embtels 1709[1] and 1710 June 23. In present situation Dept desires continue current negots between two govts without interruption, including those re *Amerika*. This tel will therefore outline gen approach Dept desires Emb take and fol two tels will spell out details. A separate tel will also be sent re Gromyko's statement on cultural coop.[2]

(1) Dept desires reply FonOff note in order place on record its denial Sov contentions and further fortify US position for eventual pub.

(2) Dept sees no further advantage refusing returns now that record has been clarified.

(3) Dept desires exploit Gromyko statement re commercial character of questions relating to decline in circulation of mag with view to taking up with FonOff again should discussion with Soyuzpechat result in refusals our suggestions. In suggesting Soyuzpechat promotional campaign Dept hopes to:

(*a*) further strengthen record by Sov refusals to grant what are considered in West normal commercial privileges, and,

(*b*) discourage returns by making clear that they will be used for promotional activities.

Of course, if Sovs should agree any our promotional schemes such as sales advertisements, circulation of mag will be aided, and/or Sov confiscation rendered more difficult.

ACHESON

[1] Not printed, but see footnote 1, p. 1209.

[2] These telegrams are not printed.

511.6121/8–250 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

SECRET Moscow, August 2, 1950—noon.

276. Deptels 57 to 60, July 20.[1] Embassy concurs in general Department's specific suggestions on reply to Gromyko and proposals to Soyuzpechat (Deptel 60[2]) re *Amerika* magazine, but in view overriding aim to keep magazine going as long as possible even with reduced circulation, Deptels 345, April 21 and 364 [*424*], May 1, feels that now is not most propitious time for submission, for following reasons:

[1] Only telegram 57, *supra*, is printed.

[2] For the content of this telegram, see the memorandum of August 25 from the Second Secretary of Embassy (Collins) to the Chief of Soyuzpechat (Ramsin), p. 1235.

1. If maximum circulation rather than favorable record is primary objective some Soviet cooperation, however reluctant, is essential. Biggest test Soviet intentions since drop in circulation began is reduction in price. Hence it seems advisable wait until effects this step reported by Soviets. Pressing promotion proposals this time might be peg on which Soyuzpechat would refuse distribution.

2. Embassy unfortunately has not been in position to offer new issues of magazine on regular monthly schedule. There was interval of 11 weeks between delivery issues 39 and 40 to Soyuzpechat. Issue 41 is still in Helsinki for overstamping and will arrive in Moscow after mid-August. Interval in delivery issues 40 and 41 will accordingly be about 9 weeks. Embassy will be in better position to submit promotional projects when it is able to deliver new issues on regular schedule.

3. Presentation of Department's proposals will have maximum justification and effect for propaganda purposes if poor sales on issue 40 at new low price are reported by Soyuzpechat. This report expected early in September. As reported Embtel 86, July 10,[3] local observations of Kiosks indicated better sales issue 40.

As Embassy sees situation issue is whether to refrain from jeopardizing maximum sales of magazine or to gain perhaps two months time in making record for eventual propaganda exploitation. Under circumstances it recommends delay in presenting reference reply and proposals until report on issue 40 received. In view of refusal Soyuzpechat to return issues 36, 37 and 38 to vendors (Embtel 278, August 2 [3]) even though authorized to reduce price on them Embassy is accepting their return.

KIRK

[3] Not printed.

124.613/8–150 : Telegram

The Secretary of State to the Embassy in the Soviet Union

CONFIDENTIAL WASHINGTON, August 7, 1950—5 p. m.

104. Embtel 257 Aug 1.[1] As Emb aware Sov Govt on past occasions has attempted to identify Rev John Brassard with Emb and USGov. We have continued maintain position that Brassard is, as were his predecessors, private Amer citizen who proceeded to and resident in USSR by virtue provisions Roosevelt Litvinov agreement.

Emb therefore not authorized employ Brassard. Dept desires no indication be given that USGov in any way has moderated its position or accepts Sov pretentions Brassard has official status.

ACHESON

[1] As Father Brassard had encountered continued delay from the Soviet authorities in performing his religious functions, the Embassy in this telegram, not printed, had asked for authority to employ Father Brassard as a part-time general clerk for duty in the Embassy library at a stipend of $2850. (124.613/8–150)

661.00/8-850

Memorandum by the Counselor of the Department (Kennan)

TOP SECRET [WASHINGTON,] August 8, 1950.

MR. SECRETARY: I thought it might be useful if at this juncture I were to make a round-up of Communist intentions, as far as they seem to me discernible on evidence now available.

1. The Soviet Communists did not launch the Korean operation as a first step in a world war or as the first of a series of local operations designed to drain U.S. strength in peripheral theaters. They simply wanted control of South Korea; saw what looked to them like a favorable set of circumstances in which to achieve it; feared that if they did not achieve it now, time might run out on them. They did not think it likely that we would intervene militarily, and thought that if we did try to intervene we would get there too late.

2. While there is no reason, as indicated above, to believe that the Soviet leaders desired a general military conflict at this time, that does not exclude the possibility that they might now consider it less likely that the early outbreak of such a conflict could be avoided. It is entirely possible that this may be their frame of mind at the moment; and it should be noted that in this case their behavior in the conduct of their affairs would be in large measure the same as though they themselves had deliberately decided to unleash a general war.

It may be asked, of course, how they could come to consider war probable though not desirable, when a few simple concessions on their part would suffice to remove the danger. The answer is that they are conscious of weaknesses in their own position which we, for one reason or another, ignore; and what appear to us as easy and cheap concessions on their part look to them like initial steps in a process which could easily lead to a crumbling of their entire structure of power.

3. In the face of our intervention, the Soviet leaders have naturally followed with most intense interest the subsequent course of military operations. They refrained from engaging air forces after our entry into the picture, probably because such air strength as they had assembled in the theater of operations was intended for support of the North Koreans against the South Koreans alone, and was neither sufficient (momentarily) nor expendable for operation against U.S. They have no doubt been surprised and impressed with ground successes of the North Koreans even in face of a total renunciation of the air arm on their own part and the consequent unlimited freedom of air operation on the part of their adversary. (This will quite probably affect their estimates of Soviet military capabilities in other areas.)

4. As North Korean forces approached the end of the peninsula, the Soviet leaders naturally envisaged the possibility that we would

be driven out entirely. Their re-entry into U.N. was doubtless decided upon in light of this eventuality, since the period immediately following our ejection would obviously be the best moment to strike for a United Nations settlement which would bar our re-entry and thus seal the accomplishment of their purpose.

5. Nevertheless, they have been keenly aware of the converse possibility (namely, that we would *not* be forced out) and know that in this case several disturbing factors would arise from their point of view; notably:

(*a*) A great portion of North Korean strength was probably committed and expended in the initial effort to force us out; if this effort is unsuccessful, a period of exhaustion and depletion of reserve strength might ensue on the North Korean side, just as the U.N. forces were beginning to build up strength.

(*b*) The Kremlin, having expected to complete the Korean operation on special supplies stock-piled for the purpose and being unwilling to deplete to any appreciable extent the arsenals of the Far Eastern Red Army, may find itself in a relatively poor position to conduct a war of attrition at a point some 5,000 miles from Moscow.

(*c*) Communications for the North Korean army are presumably steadily deteriorating under our bombings.

The Kremlin leaders are therefore well aware that the military fortunes might easily soon be altered to their disfavor.

5 [*6*]. Furthermore, the Soviet leaders must be seriously worried over the proximity of the Korean fighting to their own borders and over the direct damage which can conceivably be done to their military interests by any extension of the area of hostilities. It is probable that their strategic interests in the Soviet Far East have already been directly affected by the destruction of industrial installations of military significance in North Korea. If our forces should begin to advance, it might become necessary for the Soviet command to draw on the Far Eastern Red Army Air Force to an extent which they would consider undesirable and dangerous. Our reconnaissance flights and naval patrols in the neighborhood of the Northern borders of Korea will seem to them to involve the danger of revealing to us intelligence concerning the Port Arthur and Vladivostok areas to a highly undesirable degree. Finally, it must be to them an intensely humiliating and irritating experience to be obliged either to keep their naval forces out of areas which seem to them almost part of their territorial waters or, alternatively, to risk their being molested and destroyed by U.S. and other naval units.

7. In the light of this situation, it is quite probable that they are:

(*a*) About to bring in the Korean units, formerly operating with the Chinese Communist forces in South China, to participate in actual combat in South Korea;

(*b*) Introducing into North Korea their own puppet Chinese forces from Manchuria, to act as a first reserve defense buffer; and

(*c*) Preparing to re-occupy North Korea with their own Red Army forces, if necessary, to forestall any U.S. advance beyond the 38th Parallel. (Any further direct detriment to their Far Eastern military establishment which may result from hostilities in South Korea may be expected to hasten such re-entry.)

It is doubtful whether Mao [1] wishes to commit any of his own forces to Korea, and there is no evidence that Moscow has reached any agreement with him envisaging such entry. This situation is of course subject to change at any moment.

8. As Bohlen [2] emphasized when he was here, when the tide of battle begins to change, the Kremlin will not wait for us to reach the 38th Parallel before taking action. When we begin to have military successes, that will be the time to watch out. Anything may then happen—entry of Soviet forces, entry of Chinese Communist forces, new strike for U.N. settlement, or all three together.

9. The reported absence of the Japanese Communist leaders from Japan, taken in conjunction with depletion of our strength in Japan, with the inadequate state of the Japanese police, and with our paucity of information about internal developments in Japan, is disturbing. We should reckon with the possibility of the establishment at any time of a rival Japanese government in North Korea, and attempts at infiltration and subversion on a serious scale in Japan. (The number of Japanese prisoners-of-war remaining in Soviet hands is presumably great enough to provide personnel for such efforts).

10. Evidence of Chinese Communist plans with respect to Formosa is inconclusive. Had we not reacted as we did on June 27, the communist forces would probably already have seized the island. In the circumstances, the Peiping leaders have plainly been vacillating. Chances are somewhat less than 50–50 that they will make the attempt in the next six weeks (i.e., before the setting in of the southwest monsoons). If the attempt is not made within this period it will probably not be made at all at the present juncture. Nothing that has yet occurred gives us reason to believe (*a*) that the Nationalists *could not* hold the island with what they now have if determined to do so and well-led in the operation, or, on the other hand, (*b*) that they *would*, as things now stand actually, put up any appreciable resistance if Chinese Communist forces were to land on the island in sizeable strength. (This is not to say they will not fight; it is merely to say that nothing we now know gives us any assurance that they will).

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[1] Mao Tse-tung was Chairman of the Central Committee of the Chinese Communist Party and from October 1949 the Chairman of the Government of the People's Republic of China.

[2] Charles E. Bohlen was United States Minister in France, who had been temporarily in Washington after the outbreak of hostilities in Korea. See his memorandum of July 13, p. 1220.

11. With respect to Indo-China, the Chinese Communists are now lending fairly large-scale assistance in the training, and to some extent the equipping, of new Viet Minh forces, who will presumably be moved across the border in time to participate in the intensified hostilities which are expected in the autumn of this year. There are no indications as yet that the Chinese Communists have any intention of introducing their own forces into the Indo-Chinese guerrilla war, and indeed this would raise delicate political problems for Peiping and Moscow and the Viet Minh, if it were to occur. However, there is fairly serious evidence that Chinese assistance short of this may soon assume much more serious proportion and even involve some show of Chinese force along the frontier.

12. With respect to Iran, the war of nerves will be carried on vigorously, possibly even to the point of a demand for Iranian assent to the re-entry of Soviet troops into northern Iran on the basis of the 1921 agreement.[3] If the Iranian Government stands firm, refuses to give its assent, and makes it plain that an entry of Soviet forces in defiance of its wishes will be opposed by force of arms, it is not likely that the move will be attempted.

13. In the Balkans, evidence as to Soviet intentions is inconclusive. It is probable that at least until quite recently the Soviet leaders had themselves not made up their minds what to do in that area. An attack against either Turkey or Greece is not a promising undertaking, from their standpoint, as long as Tito remains recalcitrant and not militarily crushed. The position of Tito's Yugoslavia as an uncommitted, unpredictable and possible hostile force on the flank of their Balkan satellites would be uncomfortable for the Soviet leaders in the event of war in Europe; and it is possible that, convinced of the likelihood of an early outbreak of war, they consider it mandatory, as a measure of military precaution, to eliminate the political resistance to their power in Yugoslavia. Nevertheless, any attempt along these lines, whether launched exclusively with satellite forces or with Soviet forces, or with both, involves formidable risks and disadvantages from their own standpoint, and they will not come lightly to such a decision.

14. In Germany, they will continue to try to build up armed strength in Eastern Germany and to provide it with a political and diplomatic framework (with respect to peace treaty, alliances with other satellite powers, etc.) which would place it in a suitable position to make trouble for the western powers, including eventually armed action by German units, along the Korean pattern. The recent instructions to West German Communists to oppose the occupying powers indicate that

[3] Treaty of Friendship between the Russian Socialist Federated Soviet Republic and Persia, signed at Moscow on February 26, 1921. For text, see League of Nations Treaty Series, vol. IX, p. 384. Articles 5 and 6 are here pertinent.

those communists are regarded as fully expendable, and that their contemplated role in the execution of Soviet plans for the extension of communist power to Western Germany is only a subsidiary one—the main burden being borne either by eventual armed attack from eastern Germany or, as Moscow continues to hope, by an aroused German nationalism, or a combination of the two.

15. Information on Soviet instructions to the western European communists indicates only a desire on Moscow's part to be ready for all contingencies. Moscow is particularly interested in a build-up of the sub-surface militant units of the western European communist parties to a point where they could play an important subsidiary role (by sabotage, civil disorder, seizure and temporary exercise of police authority, etc.) in the accomplishment of what would be the Soviet purpose in the event of war. This could be an indication of either direct offensive intentions or of a sharp anxiety lest general hostilities should break out in the near future. It is more likely to be the latter.

16. As far as general world strategy is concerned, the most likely pattern of Soviet intentions is the following:

The Soviet leaders would still like to avoid general hostilities and hope that their present purposes, namely the promotion of the security of their own power by the complete shattering of U.S. prestige and influence outside the North American continent and the subjugation of all of Eurasia to their own political will, can be achieved by means less risky, less costly, and less restricting on their own freedom of action. In particular, they are not attracted by the prospect (which looms so large in the minds of people elsewhere) of occupying all of Western Europe before they are able to crush U.S. industrial and military power; for they would thereby only place themselves in a position analogous to that of the Germans in 1942, and incur heavy responsibilities to which there would be no calculable satisfactory termination at any early date. They still recognize a possibility—in fact, a fairly strong possibility—that it will prove possible for them to make satisfactory progress in the accomplishment of their purposes by means short of general hostilities. In the light of recent events, however, they probably rate considerably lower than they did some months ago the possibility of avoiding general hostilities. They are wise enough to recognize the cumulative tendencies in international complications and the great role of the unforeseen and the unintended in situations of extreme delicacy and instability. For this reason, they are no doubt preparing with intensified vigor and in every way for the contingency that general war might develop. This will be widely reflected in the evidences of their attitudes and operation, in the coming period. But they almost certainly wish at

least to delay an outbreak of general hostilities, if the latter cannot be avoided; and they have not written off the possibility that general war may be avoided entirely.

This being the case, they will continue to conduct against us in the coming period the most intensive and savage type of political warfare, interspersing political, psychological, covert-subversive, and limited military means as may seem to them suitable and advisable. They will do this in the hope that if this attack is sufficiently successful it will obviate any necessity of a general war from their standpoint; but that if war cannot be avoided, it will put them in a better position both to conduct it militarily and to carry it to a political conclusion which they would regard as favorable.

The main accent of this political warfare will be laid on the exploitation of the major point of disunity evident in the non-communist world, namely the relationship of the non-communist powers to Communist China and to Asiatic problems in general. The Kremlin sees that the U.S. is encumbered (*a*) by strategic interests in Japan which the other non-communist powers share only in minor and varying degrees, and (*b*) by internal political inhibitions of the heaviest sort which make it impossible for it to compete on favorable terms for the exploitation of nationalist feeling in Asia or even to come to any real meeting of the minds with other important countries, notably the British and the Indians, on Asiatic matters. They will continue to drive at this weak point in the hope that we can be thus discredited with the peoples of Asia and isolated from the other non-communist powers; that our position in Japan and the Philippines, in particular, can thus be psychologically undermined; and that we can finally be placed before the choice of continuing to try to police Japan in the face of a violently hostile and aroused popular resistance or agreeing to a treaty of peace which will throw open the field for the pursuit of Soviet political purposes and the eventual integration of Japan, with its war potential, into the Soviet satellite area.

The Soviet leaders no doubt feel that they have good grounds to hope not only that this result can be achieved, but that our position in Europe will by that time be so seriously undermined as to assure satisfactory progress in the accomplishment of Soviet global objectives even in the absence of general war. It suffices to point out that the ensuing train of events might logically be expected to lead to the break-up of the Atlantic Pact organization, the political defection of Germany, and the eventual strategic withdrawal of the U.S. from the European continent.

George F. Kennan

661.00/8–1150 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State [1]

TOP SECRET Moscow, August 11, 1950—4 p. m.

386. Despite the Korean conflict, plethora of subsequent rumors and an obvious increase in intensity of the war of nerves, none of the developments since April of this year seems to us to alter the Embassy's basic opinion [2] that, although they are prepared to assume grave risks in the pursuit of their objectives, the Soviet leaders do not desire to engage themselves in global conflict in the near future. Their actions appear to indicate that they hope to make most effective use of their existing strength through championing world peace movements on the one hand and inflating a war scare on the other with a view to establishing a revolutionary situation on a world scale in which the military might of the USSR and its satellites could be either the critical element in a violent clash (war between the imperialist and anti-imperialist camps), or the power behind the throne for a grand *coup d'état.*

For victory by either method this dual policy of blandishment and threat must increase in intensity in order to achieve its purpose of isolating the US as much as possible from other capitalist governments and of isolating those capitalist governments that do cooperate with the US from their people. This process reached a certain crescendo with the outbreak of hostilities in Korea and the spurt in concentration on the Stockholm appeal signature campaign [3] which accompanied it. Korea fits on what might be termed the left hand of this policy—demonstration of strength. The Berlin blockade, the Soviet walkout of UN, Soviet actions in the Baltic, the Soviet attitude on the Austrian treaty, and the Whitsunday demonstration [4] are all part of this picture. These previous steps all created much tension and apprehension without entailing for the Soviets direct risk of military reaction such as might have developed over an attempt to seize Berlin forcibly or dispose of Tito through overt military action. Korea was only a short step forward. It was a place where Soviet might could be impressively demonstrated and where the Soviet rulers had good reason to suppose that no effective military counteraction would be taken. At little risk

[1] This telegram was relayed to London, Paris, and Frankfort at 7:20 p. m. on August 11.

[2] See despatch 514 from Moscow on April 25, p. 1164.

[3] A worldwide drive was soon spurred on to obtain signatures in behalf of peace and the appeal for the prohibition of atomic weapons adopted at the March meeting in Stockholm of the Partisans of Peace. By summer many millions of signatures were claimed to have been acquired. See the statement by Secretary of State Acheson of July 12 wherein he warned against the deceptive nature of the peace movement, Department of State *Bulletin*, July 24, 1950, p. 131.

[4] For documentation on the Whitsunday demonstration (*Deutschlandtreffen*) in Berlin on May 28, 1950, see pp. 818 ff.

they were playing for tremendous stakes in power-conscious Asia and in apprehensive Europe. Even so its repercussions were felt in India, Egypt and other sensitive spots that entertain doubts about the strength and unity of the western world vis-à-vis the USSR. Looking back it might have paid the Soviets to have made a greater expenditure to assist the Chinese in taking Formosa. This would have impressed Asia and have struck a heavy blow at the unity of the free world. This project cannot be undertaken now without large risk of involving themselves as well as China in a war with the US.

It is clear that the Soviets were prepared to follow up a quick complete victory in Korea with either another attack where there were adequate prospects for localizing the conflict or for a great display of saber rattling at sensitive points. Even though the latter can be conducted chiefly through the circulation of alarmist rumors, some shifting of troops along frontiers is helpful for both purposes. A decision as to whether to attack or rattle the saber indeed need not to have been made until world reaction to the developments in Korea became known.

It is unlikely the Soviets expected their action in Korea to meet with the united condemnation of 53 UN member states or to provoke a sharp speeding up of defense preparations on a scale calculated to cope with a major crisis rather than with the Korean situation alone. Thus instead of enjoying an increase in its relative politico-military position through this step the USSR has precipitated a reverse trend which will result in time working against it for the next few years. It must certainly now make some fresh calculations. The following appear prominent among the possible alternatives:

1. To undertake an immediate speed up in their own military mobilization and launch a broad attack in Europe in order to reap maximum advantage of their present military position. Aside from rumors circulating throughout the world and reported to us there is nothing discernible here to indicate they have taken this decision. Soviet propaganda continues to stress the defense aspect of the USSR's military might to the Soviet people and what military dispositions are known are largely of a defensive character. No urgent cause has been developed to pull the people into full support of an offensive move, which even such a dictatorship as this must consider essential. It is interesting that anger over Korea was allowed to subside in favor of work harder for defense. Major changes are taking place in the organization of agricultural production which may be sources of future strength, but are causing some weakness and uncertainty at present. The same is true of the shake-ups in the fields of scientific theorization and research.

2. To touch off an outbreak of hostilities through a satellite on another scene, China or the Balkans, which might be localized, for a time at least, and cause a drain on the free world's resources and increase the strain on its solidarity. This course would entail great risk of Soviet involvement at a tempo unfavorable to the USSR. It would

seem that slow but direct progress to a major clash which would allow the west to marshal preponderant military economic strength and guarantee security of all western Europe as now occurring temporarily, would be highly detrimental to attainment of long-term Soviet objectives.

3. To play down the military aspect of this policy and while continuing to champion the North Koreans and to clamor for peace, allow a settlement to work itself out in Korea over their protests perhaps and an atmosphere of relaxation to set in giving the huge military preparations in the west no place to go. This would offer the possibility of a return by the west to the uncertain position of quandary between expenditure of effort for defense or for economic progress while the USSR continues a steady growth of industrial military potential. This is a hard choice to make because it means an immediate if perhaps temporary loss of prestige among the people who respect power and success. However, this policy would permit the Soviets to consolidate their present empire further and to utilize their rather effective political and social weapons abroad even though they could not count on major political victories where power played the dominating role.

4. To continue to exploit the mystery of Soviet strength and keep the west heavily and uneconomically mobilized in the hopes that the economic burden will cause disaffection among the masses and make them defeatist and more receptive to Soviet peace blandishments. All economic and political controls in the direction of increasing western defense preparedness would be labelled as suppressive Fascist measures and as deterioration of individual welfare grew the appeal of Communism as well as peace would increase. Continuance of or intensification of the war of nerves as well as the peace movement, along with continuous experimentation with organizational methods for controlling the attitudes of the masses would be features of such a program. The magnitude of defense allocations made since the end of June as compared with that of Marshall Plan aid could lead the Soviet rulers to the belief that this course has promise.

KIRK

124.613/8–850 : Telegram

The Secretary of State to the Embassy in the Soviet Union

CONFIDENTIAL WASHINGTON, August 15, 1950—2 p. m.

131. ReEmbtel 348 Aug 8.[1] Careful consideration given Emb's renewed request auth employ Father Brassard. Despite factors mentioned by Emb, Dept on basis over-all implications of such step unable agree auth employment.

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[1] The Embassy had asked for reconsideration in this telegram, not printed, for the part-time employment of Father Brassard because of the prevailing circumstances in his position and because he would be a valuable asset to the Embassy staff. He had sought employment since time was "heavy on his hands" and he had not believed that his superiors would find this objectionable. The Embassy declared that it would "continue to maintain in future in dealings with Soviet Government concerning Father Brassard's performance of his religious functions that he has no connection with US Government or Embassy." (124.613/8–850)

Father Brassard's principals called on Dept officers Aug 9 and in course gen conversation stated Father Brassard had mentioned in recent ltr possibility Emb employment. According to them ltr had already been sent cautioning him against such step.

ACHESON

764.00/8–2250 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State [1]

CONFIDENTIAL Moscow, August 22, 1950—4 p. m.

475. Insofar as we are aware last article by Varga appearing Moscow press published *Pravda* May 10. He had been in virtual oblivion since 1947,[2] the first article bearing his by-line since that date having appeared *Pravda* March 19, 1950. If he has now become more or less permanent technician Hungarian regime,[3] he would not be first satellite Communist to have returned, perhaps somewhat under shadow, to country of origin.

KIRK

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[1] This telegram was relayed to Budapest at 11:30 a. m. on August 22.

[2] For consideration of the possible improvement in the position of the prominent Hungarian-born Soviet economist Yevgeny (Eugene) Samoylovich Varga during 1949, see *Foreign Relations*, 1949, vol. v, pp. 545–680 *passim*.

[3] Varga had been assigned in mid-1950 as economic adviser to the Hungarian Government, but he had returned to Moscow in September, where his position became more favorable.

861.413/8–2350 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

SECRET Moscow, August 23, 1950—2 p. m.

491. Foreign Office yesterday informed French Ambassador that Father Thomas must leave Soviet Union[1] and that while Soviets would permit entry of a successor if French would allow Soviet bishop proceed France, successor would not be able use church St. Louis. French Government not disposed accept Soviet bishop for whom visa application has been pending approximately one year.

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[1] Ambassador Kirk reported in telegram 527 from Moscow on August 26 that Father Thomas had celebrated his farewell mass in the Church of St. Louis des Français on the previous day. The service had been attended by four ambassadors and by various members of their staffs, "which evidenced general high regard for Father Thomas held by foreign colony." The reports of foreign correspondents describing this service and the expulsion of Father Thomas were all killed by the Soviet censor. (861.413/8–2650) The Ambassador further reported in telegram 541 on August 29 that Father Thomas had received an exit visa on August 28 valid through August 30. The French Embassy, however, had sought an extension to enable Father Thomas to go with the French Ambassador, who was leaving Moscow on September 1. (861.413/8–2950)

Seems probable that Soviet attitude toward use of church reflects determination exclude any foreign priest from those premises, although it has been suggested that Soviets primarily interested removing last traces former French proprietorship thereof and may feel less strongly towards foreign priest of other nationality. Any event believes this development makes it desirable we now make further effort resolve situation Father Brassard and suggest that to terminate Soviet stalling (Embtel 389, August 12 and previous [2]) and with view to record I see Vishinsky or Gromyko and, in requesting urgent Soviet action in matter, leave him *aide-mémoire* [3] setting forth US position Roosevelt–Litvinoff argument [*agreement*] and record representations Father Brassard's behalf.

Please advise.[4]

KIRK

[2] None printed, but see footnote 3, p. 1134.

[3] The text is in telegram 712 from Moscow on September 15, p. 1247.

[4] In its reply in telegram 153 on August 24, the Department of State concurred with this proposed action and requested that a copy of the *aide-mémoire* as presented be sent to it. (861.413/8–2350)

511.6121/8–2850

The Ambassador in the Soviet Union (Kirk) to the Minister of Foreign Affairs (Vyshinsky)[1]

SECRET

Moscow, August 25, 1950.

No. 149

EXCELLENCY: I beg to acknowledge the letter of Deputy Minister Gromyko of June 20, 1950, concerning the magazine *Amerika*. In reply my Government has requested me to inform you of the following:

The American Government regrets that the Soviet Government refuses to abide by its agreement given in its note of April 23, 1946, to "undertake the distribution from June 1, 1946, of 50,000 copies of *Amerika*."

My Government cannot accept the contention, advanced after the agreement has already been in effect four years, that the commitment of April 23, 1946, has never existed.

However, the American Government has noted the Soviet Government's statement that "there has not been and there is no prohibition or limitation whatever of the free sale of the magazine *Amerika* in the USSR".

Although it cannot agree that there have been no limitations in the past, my Government hopes that the Soviet Government's statement concerning the absence of limitations will prove true in the future.

[1] The original of this note was delivered by Ambassador Kirk to the Minister of Foreign Affairs Vyshinsky on August 25. A copy was enclosed in despatch 57 from Moscow on August 28. (511.6121/8–2850)

For its part, my Government believes that the road to world peace lies through reciprocal efforts toward the free exchange of ideas. It will therefore continue to give concrete evidence of its desire to increase understanding between the American people and the peoples of the USSR by making every possible effort to maintain the distribution of the magazine *Amerika*.

To this end, the Embassy, acting in accordance with the statement in Mr. Gromyko's letter that matters of a commercial character fall within the competency of Soyuzpechat, is presenting to Soyuzpechat a series of suggestions for improving and extending the distribution of the magazine.[2] My Government understands in the light of the statement that there is no limitation on the free sale of *Amerika*, that the Soviet Government will place no obstacles in the path of this further American attempt to increase understanding and the exchange of ideas between the American people and the peoples of the USSR.

Accept [etc.] [Copy not signed]

[2] *Infra.*

511.6121/8–2850

Memorandum by the Second Secretary of the Embassy in the Soviet Union (Collins) to the Chief of Soyuzpechat (Ramsin)[1]

SECRET [Moscow, August 25, 1950.]

1. Since Soviet Ministry for Foreign Affairs in its letter of June 20, 1950 has characterized the present maldistribution of *Amerika* as a purely commercial problem (and has asserted there is no limitation on the free sale of *Amerika*), the Embassy desires to take up with Soyuzpechat the question of improving distribution and sales promotion methods.

2. The Embassy specifically desires to discuss planning for more effective newsstand sale with Soyuzpechat. For example, although there are many hundreds of newsstands in Moscow, the magazine in recent months has been seen only on twenty, all of which are located in the center of the city. Inspection at many newsstands have shown that *Amerika* was not and had never been on sale. Obviously a wider distribution in Moscow would aid sales. The Embassy also believes that many citizens of Leningrad for example, are interested in obtain-

[1] The original of this memorandum was left by the Second Secretary of Embassy Ralph S. Collins with Pëtr Borisovich Ramsin, the head of Soyuzpechat. A copy was enclosed in despatch 57 from Moscow on August 28, 1950. (511.6121/8–2850) This memorandum included the contents of the seven points sent by the Department of State in its telegram 60 on July 20, not printed. The Department declared that its purpose "is to improve record of Sov[iet] sabotage and obtain specific refusals to our suggestions since naturally little expectation any such suggestions will be accepted in good faith." (511.6121/6–2350)

ing the magazine, but recent observers there have determined that only those who chance to patronize the stands in Intourist Hotels, Astoria Hotel and Europa Hotel, have an occasional opportunity to buy it. Similarly, purchasers in such cities as Kharkov, Erevan and Riga should be given the opportunity to purchase the magazine on a broad distribution basis.

3. In its desire to assist Soyuzpechat in all possible ways, the Embassy is willing to accept returns of unsold copies. The Embassy proposes to utilize these copies to acquaint a wider circle of persons in the Soviet Union with *Amerika* in accord with established sales promotion practices. Courtesy distribution will be made to officials and to cultural organizations, libraries and other institutions which might be interested in placing subscriptions.

4. Future issues of *Amerika* will carry display advertising informing readers about articles which will appear in subsequent editions, where and how copies may be purchased, and how subscriptions may be obtained.

5. The Embassy will furnish *Pravda*, *Izvestiya* and *Trud* and other papers in various parts of the USSR with similar advertisements to be published by them.

6. The Embassy also desires to cooperate with Soyuzpechat in providing attractive placards or posters and otherwise improving display techniques. It has been noted that copies of *Amerika* are often poorly displayed on stands that carry them and even on occasion concealed beneath counters or under piles of other publications.

7. The Embassy is prepared to assist Soyuzpechat by accepting subscriptions directly.

511.6121/8-2550 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

SECRET Moscow, August 25, 1950—7 p. m.

516. Deptel 124, August 11.[1] Notes to Foreign Office presented today[2] also proposals submitted to Ramsin Soyuzpechat in interview lasting half hour.

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[1] Not printed.

[2] One note, No. 150 presented to Minister of Foreign Affairs Vyshinsky on August 25, is not printed. This note was in reply to the remarks made by Deputy Minister of Foreign Affairs Gromyko in his letter of June 20 on earlier proposals for cultural and scientific cooperation between the United States and the Soviet Union. Ambassador Kirk wrote at the conclusion of note No. 150: "My Government must therefore reiterate the affirmation contained in my letter of May 26 that the Soviet Government has shown disappointing lack of interest in developing cultural interchange as a path toward peace and international understanding." (511.6121/8-2850)

1. On Embassy observation that few of many Moscow kiosk really carried *Amerika* magazine, Ramsin stated Embassy should submit specific instances so that he could investigate. As to Leningrad he stated that several thousand copies were sent there for distribution.

2. On proposed distribution to cultural organizations, stated that question did not concern Soyuzpechat since it did not engage in distribution free materials. Matter concerned Foreign Offices or Voks.[3]

3. Ramsin stated display advertising in magazine was matter of concern only to editors.

4. Submission of advertisements to newspapers was matter relating only to papers concerned. Ramsin assumed it was known that *Pravda* and *Izvestiya* carried no advertisements.

5. Ramsin stated proposed placards or posters for display at kiosks would have to be seen before any judgment could be made on their acceptability.

6. Ramsin thought direct subscriptions were inadvisable and would not be successful. In first place reader would find no advantage in subscribing when magazine available at kiosks. Secondly irregular appearance of magazine made subscriptions impractical. On last point Embassy expressed hope that magazine would soon be on regular schedule and that issue 41 was being delivered today.

Ramsin was asked about reports from kiosks that issue 40 was sold out. He stated there were no reports yet on sale of that issue but anyhow it's possible that magazine had sold out in Moscow but not in other cities.

Only promotions suggestion Embassy did not present was proposal re stand in front of Mokhovaya[4] and trusts Department concurs this omission.

KIRK

[3] The All-Union Society for Cultural Relations with Foreign Countries.

[4] This was at the location of the chancery and residence building at 13/15 Mokhovaya Street in Moscow.

511.6121/8-3050 : Telegram

The Ambassador in the United Kingdom (Douglas) to the Secretary of State[1]

[Extract]

SECRET LONDON, August 30, 1950—6 p. m.

1287. UK FonOff informs Embassy they have decided to cease publication of *British Ally* in Moscow with next issue and public announcement to that effect will be made by HMG within a few days pending which this information remains confidential.

Main motivation of British is economy since production of magazine in Moscow rather expensive. Circulation practically impossible

[1] The Department relayed this telegram to the Embassy in the Soviet Union at 6:00 p. m. on August 30.

and it no longer earns anything. British would have preferred Soviets to ban it and for that reason put "hot" material in recent issues but without desired effect.

. . . . . .

DOUGLAS

740.5/8–3150 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State[1]

TOP SECRET Moscow, August 31, 1950—7 p. m.

574. With respect to general question of prevention further Soviet aggression, our thinking has been that to attain maximum effectiveness, considerable degree of integration of free world is required along political, economic and military lines. As suggested Embtel 486, August 22,[2] we think that in striving towards this end we should avoid over-organization, that duplicating and overlapping functional entities are self-defeating, and that a large degree of flexibility is required. It is within this general concept that we should like to see the Turkish application for NAT membership considered. (Department's infotel August 25, 2 a. m.).[3]

In this regard we continue to be firmly of the opinion that the strengthening of the free world forces, instead of acting as an excitement to further Soviet aggression, rather will serve as a positive deterrent. For this reason, we conclude that our thinking on question

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[1] This telegram was relayed to Ankara, London, and Paris at 7:07 p .m. on August 31.

[2] In this telegram, not printed, there was discussion of measures, with some French initiative, that could be taken in regard to an increase of European interest and possible organization to strengthen the security necessary for survival of the free world, and to guard against further Soviet moves. "Concerning basically important question of possible Soviet reaction to measures discussed above, while in present circumstances dogmatic prognosis would be unwise, we must reiterate our conviction that Soviets will march if and when it suits them; that they will not enter inadvertently into world wide conflagration; but that they will cold bloodedly bide their time until they judge circumstances are propitious. For free world and for US in particular counter is a consistent policy of strength in depth; policy conceived in calmness and based upon realization that in all probability we must remain in state of mobilization for many years to come, lest in moment of weakness we be overwhelmed by ever ready forces of Soviet imperialism." (740.5/8–2250)

[3] The Department of State in this telegram summarized many of the reasons which high Turkish officials had urged on the worth of the inclusion of Turkey in the North Atlantic Treaty Organization because of the intensification of the world crisis. Turkish policy was characterized as being "today unequivocal, honest, realistic in desire [to] make positive contribution [to] international peace." Some other nations, such as Norway, Canada, and Italy, were in favor of Turkish inclusion in principle. George Wadsworth, the Ambassador in Turkey, "emphasizes sound realism Turk position and warns of detriment Turk morale and US-Turk relations if Turks given reason believe US main obstacle to admission." (700.00 (S)/8–2550) The complete text of this telegram is in vol. III, p. 248.

Turkish membership in NAT should not be colored by fear of Soviet reaction, but on contrary should be considered solely from viewpoint of whether it would strengthen free world defenses.

Turkish NAT membership clearly bears a predominantly military aspect. If the obligations entailed would serve to weaken our ability to repel Soviet aggression, then the application should be denied, while if the advantages of integrating Turkish forces with those of the western European powers according to a common plan would enhance our military potential, we would see a great advantage in accepting the Turkish application.

There are, however, certain political aspects to the application. In the first place, the question arises as to the geographical limits of the NAT area. As we understand it, the admission of Turkey would be a departure from the original concept of a unified grouping of countries belonging to the North Atlantic community. On the other hand, the admission of Italy at the outset was broadening of that concept, and the press of events within the past few months raises the question of whether a Western European (with North American grouping) satisfactorily meets our present needs. Certainly if the criteria outlined in the first paragraph of this telegram (and developed more fully in Embtel 486, August 22) are accepted, then we should be thinking in terms of a free world rather than a purely Western European grouping. On the other hand, these criteria inevitably must contain their own limitations, for it would be perhaps militarily and financially impracticable to attempt to include in NAT countries with entirely disparate traditions and political systems, geographically separated from each other so as to render their integrate defense extremely difficult.

The problem then arises of the outside geographical limits of NAT, with particular reference to the Turkish and Greek desire for membership. In this regard, we think it worth pointing out that while Turkey and Greece are "European" countries in terms of orientation, other possible applicants in the Near Eastern area are not. Neither have these latter indicated a desire to accept the obligations of membership, nor the demonstrated means of fulfilling them. Thus we believe a good case could be made for admitting Turkey and Greece at this time, but not Iran, Egypt or other NE nations.

Consideration of Turkish membership NAT impels us to examine in sharper focus important question of military relationships between strong European and North American nucleus of free world community and relatively weaker free world countries of Near East and Asia. Embassy feels that ultimate objective our policy should be orderly military arrangement among all independent free world nations in both West and East who wish to participate in common defense against Soviet aggression. When Marshall Plan for WE first

enunciated, it was explained to dissatisfied Asians that world economic recovery best promoted by concentration on highly developed productive resources of WE, after which attention to NEA and FE areas would be forthcoming. It would seem that NAT situation analogous, i.e., WE must concentrate first on hard core defenses of free world in WE, after which other areas could by stages be integrated into over-all free world defense effort. In Embassy's view, NAT progress now sufficiently consolidated to permit extension its collective security benefits and obligations to Turkey and Greece as next step towards linking North American and WE defenses with other free world communities. In making this move, consideration might be given to changing nomenclature for NAT to NA and Mediterranean Treaty.

In attempting to assess the effects of a refusal of the Turkish membership application, it is perhaps necessary to touch on Turkish motivations in making it. Clearly, Turkey in the military sphere already possesses sufficient guarantees from the West against Soviet aggression, and the Kremlin could be in no doubt as to the effects of a *putsch* against Turkey. Not only is there an operative US aid program but both the UK and French have treaties with Turkey guaranteeing her against aggression. In our view, Turkish motivations in making its application, and in giving that application general publicity, are compounded of the desire to be accepted as a full member of the European community, plus the realistic feeling that Turkey's defense would better be safeguarded in the context of the NAT arrangements. In all probability, our refusal to accept Turkey in NAT would have a deleterious effect on Turkish *amour propre* and public morale, and this alone suggests the advisability of accepting her application, not to mention gratification of Kremlin at such excellent opportunity to exploit diplomatically and propaganda-wise any rift which might develop between US and Turkey over NAT question.

KIRK

611.61/9–650 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

NIACT NEW YORK, September 6, 1950—4:29 p. m.

461. Document S/1766. Following is text of letter dated 6 September 1950 from the representative of the USSR [1] addressed to the President of the SC [2] and the SYG [3] dictated by phone from Lake Success:

[1] The Permanent Representative of the Soviet Union to the United Nations was Yakov Alexandrovich Malik.

[2] Sir Gladwyn Jebb was the President of the Security Council at this time.

[3] Trygve Lie was the Secretary-General of the United Nations.

"With reference to the official notification of the 4 September incident [4] delivered to Mr. Trygve Lie and Sir Gladwyn Jebb, President of the SC, by Mr. Gross, alternative representative of the USA to UN (document S/1758) the Soviet Government considers it necessary to inform you of the contents of the note on the matter addressed to the Government of the USA by the Government of the USSR.[5]

"The text of the above mentioned note is attached hereto.

"At 1244 hours on 4 September, local time, a double-engined bomber of the air force of the USSR, with neither bombing nor torpedo equipment, carrying out a training flight from Port Arthur in the region of the island of Kwang Pao, was entering the limits of the naval base of Port Arthur, 140 kilometres from the Korean coast, when without any justification or excuse it was attacked and destroyed by 11 fighters of the US Air Force. As a result of the attack the Soviet aircraft was shot down and fell in flames in the sea, 8 kilometres south of the island of Kwang Pao. This attack by American fighters on the aircraft of the Soviet Air Force was witnessed by two other Soviet aircraft carrying out a training flight with the destroyed aircraft, and also by a Soviet observation and liaison post on the island of Kwang Pao.

"In order to cover up this totally unjustified attack on Soviet aircraft, the representative of the USA to the UN put out a mendacious version to the effect that the Soviet aircraft flew above the vessel that discovered it and proceeded with obviously hostile intent towards a center of concentration of the UN and opened fire on the American fighters.

"Actually, the Soviet aircraft not only did not fly over the American vessel, but did not even approach it, being at a distance of more than 10 kilometres away from it; and, as has already been said above, was carrying out a training flight. It did not open fire of any kind on the American fighters, and was shot down as the result of a gratuitous attack on it by 11 American fighters.[6]

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[4] The incident concerned the shooting down of a Soviet twin-engined aircraft, an A–20–G type bomber, many of which had been sent to the Soviet Union under lend-lease, by a United States Combat Air Patrol plane. The official notification of this incident was reported to the Security Council of the United Nations by Ambassador Ernest A. Gross, the Deputy Representative of the United States, on September 5. See Department of State *Bulletin*, September 18, 1950, p. 454. Some discussion of this incident took place in the Security Council on September 6 and 7 between the United States Representative to the United Nations, Ambassador Warren R. Austin, and Mr. Gross, and the Representative of the Soviet Union. See *ibid.*, September 11, 1950, p. 439. Additional details about this encounter are printed in vol. VII, pp. 271 ff.

[5] Ambassador Kirk had declined to receive the note from the Minister of Foreign Affairs of the Soviet Union, Andrey Yanuaryevich Vyshinsky, because representations on this incident should be presented to the Security Council of the United Nations. See *ibid.*, pp. 700 ff.

[6] The investigation by the United States of this event soon disclosed that a twin-engined aircraft bearing a red star flew into the area of United States

Footnote continued on following page.

"The Soviet Government categorically rejects the American version and vigorously protests to the Government of the USA against the crime committed by American military aircraft.

"The Soviet Government places on the Government of the USA full responsibility for the criminal acts of the American military authorities, who have disgraced themselves by this flagrant violation of the generally recognized standards of international law, and insists on a strict investigation and punishment of those responsible for the above mentioned attack, and also on reparation for the loss of the crew of three airmen [7] and the destruction of the Soviet aircraft.

"The Soviet Government also considers it necessary to draw the attention of the Government of the USA to the serious consequences which may result in such acts on the part of the American military authorities."

AUSTIN

Footnote continued from preceding page.

vessels of a Task Force in the Yellow Sea and evaded identification. Its rear gunner had opened fire on a United States Combat Air Patrol plane, which returned fire and shot down the bomber into the sea approximately 8 miles away from the destroyer U.S.S. *Thomas*.

The Department of State sent the following supplementary facts to the United States Mission at the United Nations in New York in telegram 236 on September 11, not printed, for use if necessary: "Exact location at which the incident occurred was latitude 38°45′ north and longitude 123°35′ east. The Amer patrol which intercepted the Sov plane consisted of four fighter planes, of which only two approached the intruding plane, were fired on by it, and in turn shot it down." While it was not intended to revive debate in the Security Council on the subject, if discussions should be renewed "and this material used you may add further reports will come from UN Commander in due course." (761.5895B/9–1150) General of the Army Douglas MacArthur was Commander in Chief of the United Nations Command in Korea.

[7] The U.S.S. *Thomas* recovered the body of Lt. Gennady Vasilyevich Mishin (or Mizhin), one of the members of the bomber crew. The body of this airman was buried in Cemetery No. 1, in Pusan, Korea.

661.00/9–850 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State [1]

SECRET PRIORITY Moscow, September 8, 1950—noon.

649. The President's recent message to the people of America [2] and speeches by Ambassador Austin in SC pinning full responsibility on USSR for Communist imperialism and its eruption into open aggression in Korea [3] in Embassy's view represent great forward stride in

[1] This telegram was relayed at various times on September 8 to London, Paris, Frankfort, and the United States Mission at the United Nations.

[2] The President's radio and television report to the American people on the situation in Korea, broadcast from the White House on September 1, is in *Public Papers of the Presidents of the United States: Harry S. Truman, 1950*, pp. 609–614.

[3] For documentation on the events in Korea during 1950, see volume VII.

meeting need this juncture to convict Soviet Union as active and ubiquitous inciter present world tension. Embassy still believes that policy of avoiding direct unilateral US approaches holding USSR accountable is valid particularly in view Soviet desire to identify action Korea solely with US but does on other hand feel that no holds should be barred in public statements such as above and that particularly during next GA every opportunity should be taken for very plain talk on all aspects of Soviet warmongering. In this connection Embassy would suggest that Soviet imperialism might be better term than Communist imperialism not only because word Communism, although it evokes great emotional response from Americans, means many things to other peoples but because it can antagonize present and future cooperating countries. After all it is upon the Soviets that we are endeavoring to pin ultimate responsibility. Neither China, North Korea nor any other satellite would move without impulse from Moscow and that is what we should make clear to world public opinion.

There is hardly any doubt that the Soviet and satellite delegations will open up with all guns at the forthcoming GA in order to prove that the US and the 52 UN members who support it in the east-west struggle are the camp of war and Fascism and the USSR and its supporters the camp of peace, democracy and socialism. They will be well equipped with "documentary" evidence of photographs, distorted statements by western press and public figures and exaggerations of the relatively small and exceptional examples of repression in the free world. Our approach should be to emphasize widespread constructive efforts being carried out in free world to achieve progress through cooperation in contrast to Soviet nurtured destruction of present values and welfare of generations through revolution on world scale in the name of dubious millenium whose premises are negated by the nature and actions of the small group of conspirators who have arrogated to themselves the direction of this movement. We should proudly display great constructive economic and industrial achievements of North Atlantic community and trace flow of benefits to all other countries—even those behind Iron Curtain. Along with this the cultural and other contributions of the other countries of the free world should be emphasized. This constructive progress can be contrasted with the privations imposed upon the present generations in the Iron Curtain countries by revolution promoted by group that has given birth to such principles as "new" Soviet law and justice placing interests of tyrannical state and minority party ruling it above those of its citizens, as "new" Soviet patriotism which moulds thought processes of people and directs them against principles and ideas that have brought greater happiness and welfare to civilized peoples than Soviet leaders can afford to admit.

In larger context, it will be free world's military, political, economic and social victories in areas under Communist pressure which will assure lasting peace and security but Soviets will surely watch progress of their peace propaganda campaign closely trying to discover some point where it would create enough confusion to clear path for military victory of world revolution. If there is to be any confusion in thinking in these areas we should by vigorous efforts make sure that it is confusion at least that of claim and counter-claim rather than one-sided distortion of fact and motivation. In this connection should be borne in mind that resounding victories in UN debate and effective demolishing of Soviet propaganda positions elsewhere will bear fruitful results only to extent that they reach those peoples of the world who, rather than their governments, need convincing. Additional personnel for briefing correspondents covering GA committee debates, more persons to digest main points of argumentation and more funds for printed materials for generous distribution throughout world are just few channels through which full utilization can be made of strong moral position of free world.

Soviet purpose at GA will be to sell its policies and its system to people of the world as better alternative than burden of heavy military expenditures even if just for defense. It will point to vast schemes for peaceful construction it has just announced as evidence its sincerity. It seems from here that US should take initiative at this session to expose as fully as possible workings of Soviet system domestically as well as in foreign field. Soviets themselves have made issue one of competition of the two systems and have gone far by concealing their own sphere of domination from view. The US should take up challenge and seize initiative at this session using as pegs German and Jap prisoners, human rights, paramilitary organizations East Germany, Soviet charges of atrocities in Greece and Korea and other items which will be discussed.

Many friendly delegations at last session expressed view that more vigorous US leadership would be welcome and Embassy feels we should take full advantage of this favorable attitude.

KIRK

961.61/9-850

The Ambassador in the Soviet Union (Kirk) to the Secretary of State [1]

RESTRICTED
No. 79

Moscow, September 8, 1950.

THE INSPIRING EXAMPLE OF SOVIET MAN

The new "Soviet man" has been a favorite domestic Soviet propaganda theme for some years.[2] Endowed with graces possessed not even in full measure by the twelve disciples, and in some respects strongly reminiscent of Little Lord Fauntleroy, this mythical creature has been extolled by Soviet writers as an example of the beneficent effects upon the human race of the Marxist system.

A column and a half article by L. Karasin, published in *Moskovskaya Pravda* of September 5, 1950, carries this concept into the orbital field. The writer makes the not unexpected point that ". . . the successes in the socialist industralization of the new Hungary became possible owing to the unselfish assistance of the Soviet Union". He then goes on to eulogize Soviet Stakhanovites [3] who "are conveying their experience to the Hungarian workers", and points up the gratitude of a Hungarian peasant delegation recently returned from an apparently successful study-tour of "the most advanced socialist agriculture in the world".

This article, then, tends to personalize, on a familiar level, the oft-repeated claim that the USSR is making possible unheard of progress in the satellite nations. Not only do the Vulko Chervenkovs [4] absorb the true faith at the knees of the Great Continuator; humbler builders of a new society may benefit from the experience of the toiling masses of the Soviet Union.

For the Ambassador:
JOHN EVARTS HORNER
First Secretary of Embassy

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[1] The Department was requested to distribute this despatch to Budapest, Bucharest, Warsaw, and Praha.

[2] For earlier illustrations of the growing propaganda line of exuberant exaltation of the Soviet citizen and man, see *Foreign Relations*, 1946, vol. VI, pp. 814–816, and *ibid.*, 1947, vol. IV, p. 575.

[3] Stakhanovites were workers who, emulating the example of the coal miner Alexey Grigoryevich Stakhanov in 1935, endeavored in their work to exceed the established norms to increase the productivity of labor often to an extraordinary degree.

[4] Vulko Vulev Chervenkov was Prime Minister of Bulgaria.

511.6121/9-1150

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

RESTRICTED Moscow, September 11, 1950.

No. 89

Below is translation of letter from Deputy Minister Gromyko dated 6 September in reply to Embassy's letter of August 25, 1950.

"Esteemed Mr. Ambassador: I have the honor to confirm receipt of your letter of August 25, on the question of the distribution of magazine *Amerika*.

"Inasmuch as you again refer to the question about the nonexisting 'obligation', as if assumed by the Soviet Government relative to the distribution in the U.S.S.R. of 50,000 copies of magazine *Amerika*, which in reality it never did assume, I consider it necessary to remark that this question was sufficiently clarified in my letter of June 20.

"At the same time, I am again forced to reject as completely without foundation the allegation in your letter concerning a hindrance or restriction on the sale of magazine *Amerika* in the U.S.S.R., allegedly created by the Soviet Government. As it was reiterated previously such similar unfounded statements of the Embassy of the United States of America are in contradiction to the generally known facts, and first of all, to the fact that the magazine *Amerika* has been sold and is being sold in more than 70 cities in the U.S.S.R.

"Accept Mr. Ambassador, the assurance of my highest consideration.

"A. Gromyko"

For the Ambassador:
M. Gordon Knox
First Secretary of Embassy

640.61/9-1450: Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State[1]

TOP SECRET Moscow, September 14, 1950—7 p. m.

703. Prospect that Bevin[2] toying with taking up mantle of peacemaker particularly disturbing at time when NAT countries just getting good start in building up sufficient forces to guarantee implementation and permanency of any detente in which Soviets may be forced to participate. Effect of any move along this line would be to validate Soviet peace campaign and give substantial impetus to attainment its objective of disintegrating resistance to Soviet power. Although Soviets may recognize unprofitability of resorting to armed conflict, it is far too early to arrive at firm conclusion quite apart from fact

[1] This telegram was relayed to London at 2:30 p. m. on September 14.
[2] Ernest Bevin was the British Secretary of State for Foreign Affairs.

abandonment of path of military adventure for Soviets does not preclude political and ideological offensives.

Failure of Soviets to intervene overtly in Korea and absence of indications of offensive military mobilization here are only negative indications concerning Soviet attitude toward risking global conflict. Certainly tangible evidence of cooperative attitude at various points of friction such as atomic control, Austrian Treaty, Trieste, etc., would be necessary as minimum indication of Soviet inclination toward detente with West. Coming session GA itself may reveal clues to current Soviet thinking but conclusions can only be safely drawn when what is expressed is related to Soviet actions in other parts of the world.

Embassy recalls timing of unilateral British recognition Communist Chinese regime rested on Bevin's intuition and gave rise to complications which are still source of many current difficulties.

KIRK

861.413/9–1550 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

RESTRICTED Moscow, September 15, 1950—5 p. m.

712. Following text *aide-mémoire* concerning Father Brassard left with Gromyko this afternoon:

"American Ambassador desires draw attention Minister Foreign Affairs fact that Father John O. A. Brassard, American Roman Catholic Priest, who arrived Moscow January 20, 1950 for purpose administering to spiritual needs his co-religionists American nationality residing in USSR has, ever since his arrival, been denied possibility celebrating mass in Church of St. Louis, 12 Malaya Lubyanka, Moscow as has been done by his predecessors for past 16 years.

This means in effect that since return visa of Father George Antonio Laberge which would have permitted him come back to Moscow upon termination his leave in United States was cancelled mid-February 1949,[1] right of those American Nationals in Moscow who desire attend services conducted by American priests has not been accorded them as provided by exchange notes between President Roosevelt and Foreign Minister Litvinov on November 16, 1933. From time arrival of Father Leopold Braun March 1, 1934 American Nationals of Roman Catholic faith residing in Soviet Union, have been regularly attending mass at Church of St. Louis said by American Priests, in accordance with terms above agreement. In fact, since 1937 Church of St. Louis has been only functioning Roman Catholic Church in Moscow. Consequently, when Father Brassard arrived as Father Laberge's succes-

[1] See *Foreign Relations*, 1949, vol. v, footnote 5, p. 569.

sor he naturally expected continue without change practice saying mass for American Nationals resident here at Church St. Louis. Upon his first attempt do so on day following his arrival in Moscow, however, he was denied permission officiate at church by church committee representing Russian congregation.

On January 26, 1950 Embassy, in discharging its responsibility for pursuing on behalf United States Government observance of provisions of Roosevelt–Litvinov Agreement of 1933 by Soviet Government, made oral representation to Ministry requesting arrangements be made for Father Brassard to say mass for American Nationals at Church of St. Louis as called for by agreement and as established by tradition. Neither this approach nor several subsequent oral representations made to Ministry since then have succeeded in inducing Soviet Government to take favorable action this matter.

It should be pointed out that Father Brassard's request for permission to celebrate mass at Church of St. Louis involves no additional demands on its facilities.

Throughout period of suspension their right to ministration of American Priest, that is, since mid-February 1949, American Nationals of Roman Catholic faith have, along with other members foreign colony in Moscow, been attending mass at Church St. Louis said by Father Jean Dematha Thomas, French Priest who left Soviet Union on September 1, 1950 at demand of Soviet government. Specific periods, amounting to around one hour a day, during which facilities Church St. Louis were made available to Father Thomas for holding of religious services can, in light his departure, be easily assigned to Father Brassard as simply continuance traditional practice this church.

US Government expects Soviet authorities concerned to undertake whatever measures are necessary overcome difficulties standing in way fulfillment terms of Roosevelt–Litvinov agreement of 1933 referred to above."

Details my conversation with Gromyko follow separate telegram.[2]

KIRK

[2] In telegram 713, *infra*.

861.413/9–1550 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State[1]

SECRET Moscow, September 15, 1950—6 p. m.

713. Embtel 712, September 15. Calling by appointment on Deputy Foreign Minister Gromyko at 2:30 p.m. re Father Brassard, I

[1] This telegram was relayed to Paris at 1:40 p. m. on September 15.

opened conversation by saying I wished to bring to attention Soviet Government an aspect of exchange of letters between late President Roosevelt and then Foreign Minister Litvinov concerning acknowledged right of freedom religions worship our nationals in Soviet territory with special reference accordance facilities Father Brassard to officiate for American citizens of Roman Catholic faith and presently in Moscow. I added that since arrival here January 1950 Father Brassard had not been accorded facilities consonant with basic inter government understandings of 1933 and conforming to traditional use for some 16 years of Church St. Louis. Also that with departure French priest Father Thomas on 1 September it appeared reasonable to accord American priest (who was duly accredited and documented by his church authorities) similar use Church St. Louis, namely one hour per day, and that I had come to ask Soviet authority to intervene in accordance Roosevelt–Litvinov understandings to secure such facilities for Father Brassard.

Gromyko replied that even original visa application Father Brassard had been granted on basis he to serve AmEmbassy Moscow,[2] that Soviets had no state religion, that Russian congregation St. Louis Church had of own free will elected new priest and he was not in position to intervene, suggesting I should provide facilities from Embassy properties.

My answer was that first of all Father Brassard was in no sense an Embassy chaplain, that US had no state religion (as was well-known to Gromyko), and that under terms 1933 exchange notes Soviets were committed permit acquisition necessary facilities for freedom religious worship. I said we were asking merely that American priest be given similar facilities accorded departed French priest, to officiate for American citizens in Moscow in exercise their religious worship, and that in fact such would entail no expense.

Gromyko insisted use St. Louis Church was for parishoners to decide, that parish had "elected" own priest, and that Soviet Government never interfered in religious matters.

I rejoined that under terms 1933 exchanges Soviets were obligated to aid freedom religious practice and to protect US citizens from annoyance and interferences in enjoying religious freedom. I remarked that in reading carefully the notes exchanged between President Roosevelt and Mr. Litvinov, in 1933, I was struck by their tenor of mutual understanding, and especially of comprehension, of problem of freedom of religious worship, but that I could not refrain from remarking that the present atmosphere seemed much less congenial in these important aspects.

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[2] See note No. 136 of November 5, 1949, from the Embassy of the Soviet Union, *Foreign Relations*, 1949, vol. v, p. 670.

Gromyko replied that there was nothing his government would be able to do in this matter of St. Louis Church. I then mentioned that there were other foreign citizens in Moscow, some of them in other diplomatic missions, who also were of Roman Catholic faith, and by giving Father Brassard same facilities at St. Louis Church as previously enjoyed by Father Thomas, the foreign Roman Catholic community would be served as well.

Gromyko remarked that religious matters were not of concern to Soviet state and that he could do nothing, that foreigners were at liberty to use their mission facilities for whatever religious needs were to be satisfied.

I again insisted US had no state religion but that our constitution guaranteed freedom religious worship, which I said Mr. Litvinov had in effect stated was also the case in Soviet Union; and that we expected that under terms set forth in letters between President Roosevelt and Mr. Litvinov in 1933, Soviet authorities would support my government's request in this instance. Accordingly, I presented *aide-mémoire* setting forth more concisely views US Government.

Gromyko read through my *aide-mémoire* remarking this matter had been discussed by others, and I said yes, inconclusively, between Minister Barbour and Mr. Sobolev [3] but now was of such importance I had come to see him myself. He then said "there is nothing more to be said in this matter and I have given you the views of Soviet Government".

Our conversation was polite and quiet in tone, but I believe this matter of using Church St. Louis is now closed and would not expect any further comment from Minister of Foreign Affairs.[4]

KIRK

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[3] Arkady Alexandrovich Sobolev had become head of the American Section of the Ministry of Foreign Affairs of the Soviet Union.

[4] Ambassador Kirk reported to the Department in telegram 715 on September 15 that he had given out a press release that afternoon concerning the facts of his call on Gromyko. (861.413/9–1550)

On November 16 the prominent Catholic layman, Mr. Michael Francis Doyle, called at the Office of Eastern European Affairs to discuss the situation of Father Brassard. He read the *aide-mémoire* of September 15 and was told about the conversation between Ambassador Kirk and Deputy Foreign Minister Gromyko. He was informed that the matter of the use of the Church of St. Louis was probably closed and that "we in the Department saw no means to force the Soviet Government to change its mind." At the close of the conversation Mr. Doyle held the opinion that Father Brassard would not be withdrawn from Moscow "as that would be an admission of 'defeatism and weakness' and that it would be better to leave Father Brassard there even under present unsatisfactory circumstances." (861.413/9–1550)

611.61/10-250

The President of the University of Pennsylvania (Stassen) to the Chairman of the Council of Ministers of the Soviet Union (Stalin)[1]

PHILADELPHIA, October 1, 1950.

It is now three and one half years since I talked with you in a conference at the Kremlin [2] at the conclusion of which you informally invited me to confer again in the future. I write to you now, as I spoke then, as a private citizen of the United States and as a member of the party which is not now in power in the administration of our country.

I write to you now, as I spoke then, in the interest of world peace and freedom and progress for mankind; and not to influence your government in relation to any disputes or controversies with the United States, which are entirely in the hands of our officials.

As you may realize, each and every one of the things I said to you about the United States in 1947, in the discussion which was published then throughout both countries, has proven to be true and correct.

The United States has not had the economic crash or depression which your advisers were saying would come and which I said would not come.

The United States has demonstrated, as I said it would, that its economic system is different from Hitler's economic system and not like it, as you indicated.

The total United States world trade has not been more than 12%, has not increased to 20% as you indicated it would, and has not been profitable but has been financed by loans and European Recovery grants.

The failure to agree on international control of atomic energy for peace has increased world tensions and bitterness.

The Soviet Union's continued barring of opportunities for the American people—including students and tourists—to visit Russia and its continued censorship of the *American* press correspondents has added to misunderstandings.

On the other hand you stated in our discussion that the Soviet Union desired world peace.

I find it impossible to reconcile that statement with the North Korean aggression, with the Soviet Union's refusal to cooperate in stopping that aggression, with the Soviet Union's rearmament of East-

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[1] The Embassy in the Soviet Union was informed in telegram 227 on October 4 that this letter would be released to the press on October 4, and would be carried on a Voice of America broadcast. The letter was published, together with an article, in the *New York Times*, October 5, 1950, pp. 1, 18. Harold E. Stassen had sent a copy of the letter to Secretary of State Acheson on October 2.

[2] In regard to the interview between Stalin and Stassen in Moscow on April 9, 1947, see telegram 1343, April 14, from Moscow, *Foreign Relations*, 1947, vol. IV, p. 552.

ern Germany and with other recent actions of the Soviet Union. I have spoken of these developments and of what they mean to the American people in an address on August 15, 1950.

I therefore write to you this personal message in an effort to stop the drift toward war and to change the direction of world actions instead toward peace and human progress. The Soviet Union's direction will be judged not by words or documents, but by actions.

To this end, I say to you that if your advisors are now telling you that the United States will have an economic failure if forced to carry on a long rearmament program, they are wrong again. I am certain that if it must be done, the United States can match Soviet rearmament for ten or twenty years, or indefinitely, without an economic failure. Our labor, our industrialists, our farmers, all of our people in our free society under our modern people's capitalism, have learned more and more about production methods and they can accomplish miraculous results.

I also say to you that if your advisers tell you that the American people are divided and quarrelling with each other and that this will weaken the United States, they are wrong. None of our quarrels or differences will affect the united armament effort, the united production, or the united mobilization of our country.

If your advisers tell you that the Communist organizations in this country can undermine our economic and military strength, they are wrong. Just as rapidly as Communist members show such intentions, they will find American labor and the American people quickly overcoming them.

If your advisers tell you that our young men will not go back into uniform and fight they are wrong. Much as they dislike war, the young men of the United States, veterans and non-veterans, will go into uniform in any numbers necessary to join with other members of the United Nations to defend the peace-desiring nations of the world and to thoroughly defeat anyone who starts a third World War.

If your advisers tell you that the United States may attack the Soviet Union without provocation they are wrong. If neither the Soviet Union, nor any of the other Communist states associated with it, commit aggression, the people of the United States would never support or permit the waging of war against the Soviet Union, and would never start an aggressive war against the Soviet Union. The American people continue to feel friendly toward the Russian people and still remember the great sacrifices and heroic fighting of the Russian armies in our joint victories over Hitler's Nazi forces.

I therefore write to you to urge that you change the policy of the Soviet Union and move toward world peace and freedom for mankind. I urge that you stop attacking the churches in the Balkans. I urge that you open your borders to tourists and merchants and stu-

dents and increase the freedom of the peoples of all nationalities within the Communist governed countries. I urge that you join in rewriting and strengthening the United Nations Charter.

If you do move toward peace and freedom much can be accomplished through the cooperation of our countries to improve the living conditions of the people in both countries and of the people in the rest of the world. If you do not, the rearmament programs throughout the world will add a burden of suffering and hardship on the backs of millions of innocent peoples, and the world tensions and dangers of war will increase.

If you doubt any of the things I say to you, I believe that I can prove each point to you with much evidence, either through correspondence or further conferences, with the understanding that everything we both said would be openly and publicly released to the people as our previous conversation was released, and as this message will be released to the people within a few days.

Sincerely,

HAROLD E. STASSEN

561.00/10–250 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State[1]

CONFIDENTIAL

Moscow, October 2, 1950—6 p. m.

806. Re Embdesp 130, October 1.[2] For possible use combatting Soviet charges US warmongering Embassy passes on Vyshinsky 1948 definition warmongering:

"It is not only direct appeal to war which is dangerous to cause of peace, but also systematic dissemination of sundry mendacious or alarming information capable of creating a war psychosis, which is in itself a source of threat to peace.

There are disseminated in various countries form of incitement to war which cannot be qualified as an appeal for it but which play same role indirectly.

Interests of peace and security of peoples require a struggle against war propaganda not only when this propaganda is expressed in systematic dissemination of views and ideas aimed at inciting war, or in direct appeals for war, but also in connection with any other forms of incitement which, directly or indirectly, systematically or episodically, may be source of arousing of hostile feelings towards another

[1] This telegram was relayed to the U.S. Mission at the United Nations at 2:00 p. m. on October 2.

[2] Not printed.

people and of persuading of others of necessity, expedience or advantageousness of war". *Sovetskoye Gosudarstvo I Pravo* No. 6, 1948.[3]

KIRK

[3] *Sovetskoye Gosudarstvo i Pravo* (*Soviet State and Law*) was the foremost legal journal in the Soviet Union, of which Vyshinsky was the editor for many years.

611.61/10-450

Memorandum of Conversation, by the Assistant Secretary of State for Far Eastern Affairs (Rusk)

TOP SECRET [WASHINGTON,] October 4, 1950.

Participants: Yakov A. Malik[1]—Soviet Delegation to the United Nations
W. W. Lancaster—National City Bank of New York
Dean Rusk—Assistant Secretary of State

I had a two and a half hour conversation on Sunday night, October 1, with Mr. Malik at the home of Mr. W. W. Lancaster of the National City Bank in Manhasset, Long Island. Mr. Lancaster had invited the two of us and certain others to dinner but, as it actually turned out, neither Mr. Malik nor I was able to arrive for dinner. Both of us came at about eight o'clock. Mr. Lancaster's other guests had been two members of the American Friends Service Committee who, under the circumstances, withdrew immediately after dinner and left the conversation to Mr. Malik, Mr. Lancaster and myself.

Throughout the evening Mr. Malik appeared relaxed, even tempered, and ready to exchange views on highly controversial matters without affecting his affability or informality.

After a considerable amount of casual conversation, I asked Mr. Malik what two or three elements in the United States policy or conduct seemed to create most concern among the Russian people. I suggested he leave aside such details as might be developed by the Politburo and address himself to the points which were generally in the minds of people in the Soviet Union.

Mr. Malik opened by stating that in the early years of the Soviet revolution the United States had been accepted by the Russian people as providing examples in many fields which the Russians should attempt to emulate. They had a high regard for our technical competence, industrial organization and techniques in a wide variety of fields. They looked upon us as a new nation which had developed a continent and had shown ability and energy in doing so. In the 30's President Roosevelt's attempt to establish relations between the two

[1] Yakov Alexandrovich Malik was the Permanent Representative of the Soviet Union to the United Nations, 1948–1952.

countries [2] on a normal basis had made a deep impression in the Soviet Union and a considerable amount of friendliness toward America had developed. He said that the joint effort in the war had further raised the reputation of the United States in Russia and that there had been the expectation at the end of the war that US-Soviet relations could be placed on a sound and friendly basis. He said that had been the "good part". Since the war was over, he said, US-Soviet relations had "soured".

He attributed this to three factors on the United States side: (1) The encirclement of the Soviet Union with American military bases; (2) widespread talks in the United States about bombing Russia; and (3) "the assumption by the United States of the role of world leadership".

On the first point he said that we do not seem to understand what a century of brutal and devastating military occupation has done to the psychology of the Russian people. He said that every generation has seen a violent attack upon Russia, an occupation of a considerable part of the country, the slaughter of millions of its people, and the devastation of important parts of its territory. He said that the Americans are "spoiled children" because we have never been hurt by war, we do not know what occupation is, and we cannot understand what that experience does to a people. Consequently, he said, when the Russian people began to see at the close of World War II the establishment of American military bases at strategic points around the frontiers of Russia, it was inevitable that they should believe that these bases were for use and that the United States in fact planned to attack the Soviet Union.

On the second point, he said that the Russian people get from the American press and statements by prominent Americans, including the Secretary of the Navy,[3] a barrage of threats to bomb Soviet cities and to initiate a war against the Soviet Union. He said this kind of talk from American sources made a tremendous impression in Russia and that I could observe that Russians did not go around urging that Russia drop bombs on American cities or declare war on the United States.

On the third point, he said that throughout most of our national life the American people had been "isolationalist" and that we were trying to develop our own country and to live at peace in our own hemisphere and to live behind the protection of two vast oceans. He said that that had changed after World War II and that we were now expanding our influence and power without any apparent limitation on our appetites, and that the "role of world leadership" which we were

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[2] On the recognition by the United States of the Soviet Union on November 16, 1933, see *Foreign Relations*, The Soviet Union, 1933–1939, pp. 1–62.

[3] Francis P. Matthews was Secretary of the Navy.

assuming was the expression of imperialist and expansionist urges which Russians considered constituted a direct threat to themselves. He said that when we spoke of "strengthening the United Nations" what we meant by it was organizing the United Nations against the minority and that this itself was a further expression of our present imperialist policy.

During Mr. Malik's presentation of the above, I did not attempt to interject replies at every point, since I wished him to develop his views without too much interruption. I did, however, point out to him that the war talk in this country was unofficial and that the policy of the country had been repeatedly reaffirmed by responsible officers of government; that anyone who selected out expressions of U.S. public opinion could find support for any of a great diversity of views, and that much of the war talk was a natural outcome of the exasperation and disappointment which many Americans feel at the failure to establish a peaceful world after World War II. Since most Americans hold the Soviet Union responsible for this failure, such exasperation is naturally directed to them.

Mr. Malik then turned to me to ask me what were my "points" against the Soviet Union.

I began, as had Mr. Malik, with "the good side", and spoke of the deep impression made on the American people by the Russian performance in the war against Hitler. I said that the Battle of Stalingrad and the comeback of Soviet forces in the second half of the war had enormously raised Russian prestige and had greatly [facilitated?] a friendly atmosphere out of which had come high hopes that it would be possible for the great powers to organize peace on the basis of the United Nations. I stated that this potentially friendly development had also "soured" as far as Americans are concerned. I cited Soviet refusal to carry out their agreements concerning the Balkan states, their threats against such states as Turkey and Iran, their difficult attitude toward occupation problems in Austria, Germany and Japan, their refusal to try to move ahead on atomic energy control and a wide range of problems of which Mr. Malik was aware.

I told him that I did not expect him to agree, but that if he wants to understand us Americans he must know that we hold the Soviet Union directly responsible for the Berlin Blockade, the guerrilla attack against Greece and the aggression in Korea. I said that the fact that we had not made formal public charges on the Korean matter should not lead him to the conclusion that we had any doubt as to the real responsibility. (He did not comment.)

As to his worries about our assumption of a role of world leadership, I told him that we had been forced to take an interest in matters beyond our historical horizons because free countries turned to us for

assistance to meet what they thought was a threat from the Soviet Union, and I cited Greece, Turkey and Iran as cases in point.

I said that I doubted that we and the Soviet Union agreed on the most elementary concepts of the international system—that it should be founded upon independent states, that these independent states should be those generally recognized by the community of nations at the present time, and that the general rules applicable to the relations of these states with each other are those set forth in the Charter of the United Nations. I said that, as we see it, a general agreement between us and the Soviet Union would have to be an agreement of the sort we had already made with them when we both signed the Charter.

Mr. Malik then turned to certain economic factors. He criticized American business as seeking excessive profits today and as willing to let tomorrow take care of itself. This resulted in voracious policy and stimulated an imperialist foreign policy. I let Mr. Lancaster (National City Bank) deal with this one, which he did with the usual line that although there were excesses, American business is vitally interested in peace. Mr. Lancaster also stated that American business was in fact very timid in the international field and not inclined to invest large sums abroad in the present world situation.

Mr. Malik then said that, in the modern world, "power is money" and that the United States had put vast sums of money around the world in order to bring the policies of other governments under our control. I replied that there was another form of power which was far more efficient, and comparatively inexpensive, namely, subversive activity by highly disciplined minority bands under Cominform direction. I said that the influence of the United States through its aid and assistance programs was trifling compared to the controls exercised by the Soviet Union through such communist penetration. Mr. Malik seemed to enjoy the respect which I expressed for the effectiveness of such methods, but passed it off by saying that it is impossible for any country to send emissaries and cadres into another country to do the kind of thing I was talking about and that these resistance efforts were native to their own countries.

Mr. Lancaster, in a burst of eagerness, then said that he was disturbed about the Korean matter [4] and that he was certain that if two intelligent men like Mr. Malik and Mr. Rusk would get together, they could find a formula to bring the affair to an end. Realizing that Mr. Malik would look upon this as a planted remark, I replied that I thought Mr. Lancaster was very flattering if he thought the two of us could suddenly produce a formula which would solve Korea. Mr. Malik then asked how I thought the debate in the Assembly on Korea would go. I told him that I thought there would be a general desire

[4] For documentation on the events in Korea during this year, see volume VII.

to bring about a unified, independent and democratic Korea along the lines set forth by the Assembly for the past three years.

I said that, leaving aside the immediate problems connected with Korea, it seemed to me that we and the Soviet Union should look toward a future in which Korea was neutralized as an issue between us. I said that I thought it was important for the Soviet Union to believe what we have been saying about desiring no bases and having no U.S. military interest in that country. I assured him that that was, in fact, our attitude and that we did not see how a unified and independent Korea could be a threat to any of its neighbors. Mr. Malik only replied that with the recent invasion of Korea by American business, he did not see how it could be neutralized. Mr. Lancaster then commented that he knew of no private American business of any substance in Korea and that Mr. Malik must be referring to the temporary ECA programs.

I suggested to Mr. Malik that he and Ambassador Gross ought to talk occasionally. He replied, "What about?" I laughed and suggested general matters. For example, Mr. Malik has indicated in the Security Council that he had some reservations on the speech made by Mr. Gross on the attempted Chinese double veto of the invitation to bring Peiping representatives to the Security Council. I said a discussion of this problem might be very helpful. He said that he would be glad to talk with Mr. Gross and had a high regard for him.

In reply to a question from me as to whether the Soviet Delegation intended to develop in Assembly debate a detailed exposition of what they meant by "international control" on such matters as atomic energy, he said that they probably would. He said the Russian word "control" was quite different from the English word, and was much more like the French. He said the point that bothered them was the idea of ownership. He said they had no problem about observing atomic materials, feeling them, smelling them, but when it came to ownership, their system could not accommodate itself to ownership.

The conversation was amiable throughout. Mr. Malik took me to the railroad station and then drove Mr. Lancaster, who rode to the station as a guide, back to his home. I was informed later that Malik told Mr. Lancaster that he had appreciated the chance to have an informal talk of that nature, that he thought it was useful, and that such off-the-record unpublicized meetings should occur more often.

861.413/10-950

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

SECRET
No. 152

Moscow, October 9, 1950.

While, as reported in the despatch under reference[1] and in the Embassy's telegram to the Department No. 1674 of June 19, 1950, present Communist tactics seem to call for the utilization of organized religion for purposes of Soviet imperialism, Communist dogma utterly rejects spiritual values per se and wages a continuous battle to eradicate them in the USSR itself. Thus, Soviet propaganda media may cajole the Muslims of the Near East with claims that complete religious freedom exists for the Muslims of Soviet Central Asia, and may invite Muslim delegations from French North Africa to bear witness to the fact by travelling to Uzbekistan. The mechanism of the Russian Orthodox Church may be taken advantage of to the same end, and the Metropolitan of Leningrad despatched on good-will missions to the Levant. Nevertheless, these outer manifestations of a "soft" policy respecting organized religion cannot obscure the fact that official Communist doctrine, which postulates that religion is a manifestation of backward feudalism, has never suffered the slightest deviation.

It is also clear that Communist internal propaganda is unable to desist from inculcating anti-religious views in the youth of the Soviet Union, for a youth brought up to accept traditional religious concepts would find it difficult to accept the Lenin–Stalin exegesis of Marxism in all its vigor. In this connection, the attached translation of an "answer to a reader's question", taken from *Nauka i Zhizn* of August, 1950,[2] expresses without equivocation the attitude that "Marxism-Leninism and religion are irreconcilable, as materialism and idealism are irreconcilable". The reader, a student, had posed the question, "may religion die out by itself in the course of the development of a Socialist society?" The reply is, of course, in the negative, but the writer apparently finds it necessary to give some attention to the fact that "in our country, religion still infects some people with its corrupting influence, prevents believers from actively and consciously fighting for Communism". This "backwardness" is explained "by the fact that the consciousness of man in its development lags behind social reality. Religion, once it has risen, crystallizes, as it were, and, transferred from generation to generation, takes on the force of inertia and tradition". The remedy is "systematic, scientific, atheist propaganda" which must, however, "be serious and considered, without sudden attacks and dic-

[1] Despatch 16 of August 3, 1950, not printed.
[2] The translation from *Science and Life*, August 1950 (No. 8), is not printed.

tatorial measures, and without offending the feelings of religious persons".

It is believed that our missions in Islamic and other countries and the Near East and Asia may be able to make effective use of the attached translation.

For the Ambassador:
WALWORTH BARBOUR
Minister-Counselor

711.5861/10-1050 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

PRIORITY Moscow, October 10, 1950.

845. Following text of announcement published today's press concerning Soviet note on alleged strafing Soviet airdrome.

"On October 9 Deputy Minister Foreign Affairs USSR, Gromyko received Minister Counselor Embassy USA Moscow, Barbour and transmitted him following note having read text of note preliminary: [1]

'Government of USSR considers necessary to state to government of USA following. On October 8 at 16 hours 17 minutes, local time, two fighters of Air Forces USA of type "Shooting Star" (F-80) grossly violated state frontiers of USSR and approaching on close-shaving flight a Soviet airdrome located on seacoast in region of Sukhaya Rechka, 100 kilometers from Soviet Korean frontier, strafed airdrome with machine guns. As result of strafing damage was inflicted on property of airdrome.

In connection with these provocatory acts of American Air Force expressed in gross violation by American military planes of state frontier of USSR and in strafing of Soviet airdrome, Soviet Government makes decisive protest to Government of US.

Soviet Government insists on strict punishment of persons responsible for attack on Soviet airdrome and expects assurances from Government of USA that it will take necessary measures for prevention of such provocatory acts in future.

Soviet Government considers necessary to state that responsibility for consequences of such acts on part of aviation of USA lies entirely on Government of USA.'

Barbour stated that necessary allegedly take up this matter with UN since Armed Forces UN operating in region Korea. On this pretext Barbour refused accept note.

Gromyko pointed out complete lack foundation arguments of Barbour since in note Soviet Government subject is strafing Soviet airdrome by planes of Air Force USA and not any other planes. Of course, responsibility for such provocatory acts should be borne by American military authorities who are under control of Government USA.

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[1] In the preceding telegram 844 sent from Moscow at two o'clock on the morning of October 10, not printed, Ambassador Kirk recounted that Gromyko had telephoned at 10:45 the previous evening and had asked the Ambassador to see him an hour later, because he had a note to deliver. When the Ambassador explained that he was in bed ill with influenza, Gromyko agreed to receive Walworth Barbour at 11:30 p. m. The text of the note was read by Gromyko to the Ambassador during the conversation. (711.5861/10-1050)

On same day note of Ministry Foreign Affairs USSR set forth above was dispatched to American Embassy in Moscow." [2]

KIRK

[2] The text of the note, according to telegram 846 from Moscow on October 10, not printed, had been delivered to the Embassy at 3 a. m. and had been returned to the Ministry of Foreign Affairs by messenger at 11 a. m., without a covering note. The text corresponded with that printed in the press on October 10. The telegram then contained this comment: "Embassy of course without facts. However, if incident did occur this spot Embassy wishes point out it took place within perhaps most important and sensitive Soviet military area in Far East and one of similar concern China lying only 10 miles to west. Embassy does not need stress that in spite of apparent mild tone Soviet note operation American planes this vicinity, accidentally or not, inevitably viewed with great seriousness by Soviet Government." (711.5861/10–1050)

411.61231/10–1050 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

CONFIDENTIAL Moscow, October 10, 1950—6 p. m.

851. At appointment with Barbour at Foreign Office this afternoon made at Foreign Office request, Acting Chief Protocol Bushuev raised question of failure unload shipments for Soviet diplomatic officials on SS *Batory*.[1]

Bushuev read, but did not give copy of, statement in substance as follows. On September 7, 24 cases of Soviet food products for the Soviet Ambassador in Washington arrived in New York on SS *Batory* but were not delivered. In July 1950, 12 cases for Jacob Malik were refused space on American ships in London. It is alleged that the stevedores at US ports would not unload these diplomatic shipments, failure to deliver constitutes gross breach diplomatic courtesy and practice. Meantime Soviet authorities have given every facility to shipments to the American Embassy, Moscow which in last six months amounted to some 70 in number.

Barbour replied that he was unaware of London case but that circumstances of *Batory* shipment were generally known to him and it is his understanding that stevedores refusal to unload ship was in fact cause of its non-delivery, that matter has been under discussion between Soviet Embassy, Washington and Department which is of course prepared to take all proper steps to facilitate diplomatic importations. As for Soviet facilities to the American Embassy in Moscow, on the other hand all sorts of obstacles have been encountered by Embassy in recent months in matter of its diplomatic imports. In first place Soviet quota system arbitrarily limits imports and has no counterpart in US or other diplomatic practice. Furthermore,

[1] Regarding the *Batory* incident, see also pp. 1036 ff.

Protocol Division to whom Embassy of necessity made numerous representations in effort to overcome Soviet customs and other difficulties should be aware of multitude of problems continually arising.

Bushuev remarked that Soviet regulations require customs inspection when goods do not physically accompany a traveller across Soviet frontier and stated that transport problems had unfortunately on various occasions prevented such accompaniment (This refers to frequent failure to bring baggage cars across Finnish-Soviet frontier on alleged grounds of mechanical breakdown which has been major source complications). Barbour noted that example cited was typical of difficulties placed in way US Embassy shipments in Moscow which do not occur in the US.

Chief of Protocol was assured that all proper courtesies and facilities would continue to be extended Soviet diplomatic shipments to US and hope was expressed Soviets would reciprocate. Bushuev was also informed that US Government would be advised of conversation and agreed that if matter to be pursued further such discussion would take place Washington.

In conclusion Bushuev expressed appreciation of Embassy informing Department and stated that on its part Soviets will facilitate importations for Embassy Moscow.

KIRK

961.60/10–1750 : Telegram

The Chargé in the Soviet Union (Barbour) to the Secretary of State [1]

RESTRICTED Moscow, October 17, 1950—6 p. m.

886. More than half *Pravda–Izvestia* devoted to opening session second All-Union Conference Peace Partisans (October 16–18), in Moscow. Over 1,000 members. Unanimously elected Presidium includes writer Fadeyev; scientist Vavilov; Tikhonov, Chairman Soviet Peace Committee; and Metropolitan of Krutitsky and Kolomensky, Nikolai; Lysenko; Shostakovich, et cetera.[2]

Fadeyev set tone in opening by assailing American imperialism and supporting program forbidding atomic weapons; curtailing all kinds of arms and establishing control over such curtailment; condemning aggression and armed intervention in internal affairs nations;

[1] This telegram was relayed to Paris at 2 : 03 p. m. on October 17.

[2] Alexander Alexandrovich Fadeyev was a literary writer and novelist. Sergey Ivanovich Vavilov was a scientist, president of the Academy of Sciences of the Soviet Union. Nikolay Semënovich Tikhonov was a poet and a war correspondent at times during World War II. Nikolay (Boris Dorofeyevich Yarushevich) was Metropolitan of Krutitsy and Kolomna in the Russian Orthodox Church. Trofim Denisovich Lysenko was a biologist and geneticist. Dmitry Dmitriyevich Shostakovich was a composer and pianist.

peaceful solution Korean conflict by returning to normal procedure in UN; forbidding war propaganda in all countries.[3]

In lengthy speech, text printed, Tikhonov gave standard review peace partisan theme. Tikhonov compared Soviet budget Army and Navy (18.5 percent) with 76 percent US budget for armament. "The Soviet Union lowered by one and one-half times its expenditures for defense in comparison to 1940, while the USA increased by three and one-half times its military allocations in comparison to the same pre-war year of 1940." Tikhonov assailed International Committee for study of European questions for projecting atomic obliteration Soviet cities. Refers to incendiary statements Matthews;[4] Spaatz[5] (*Newsweek*) regarding risk involved in war with Russia later rather than now; 15 September report by AP reporter Fay concerning preventive war conversations in US.

On international situation speaker called seizure Formosa, bombing Chinese cities, and "recent passage over 38th Parallel of American interventionists" as final unmasking aggressive intentions American Government. Alleged US attacks Soviet plane and airfield said to have "aroused just indignation of people. The Soviet people are sharply watching the intrigues of the warmongers and will resist their provocations."

Basic theme recent Truman speeches, Tikhonov said, that US seeks world rule and wants no agreement on problems of peaceful development of peoples.

Vavilov quoted from *Electrical World* (US) on profits originating Korean War, called on scientists refuse discoveries to warmongers.

Comment:

Peace propaganda follows usual line, with noteworthy concentration on US as peace enemy number 1. Demand for censure first government use A-weapon not played heavily; omitted Fadeyev speech although mentioned by Tikhonov. Allusion US attacks Soviet airplane, airfield given routine treatment, indicating lack of Soviet interest in build-up. Possible explanation may be desire evidence great restraint on part USSR as befitting its role as leader struggle peace partisans against warmongers, rather than stress military contacts two great powers. First reference by Soviet spokesman to crossing 38th Parallel Korea. Reference unaccompanied by threat of official Soviet or Chinese armed intervention.

BARBOUR

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[3] Further documentation on the attitude and response of the United States to the peace offensive of the Soviet Union is presented on pp. 261 ff. In regard to the peace propaganda of the Soviet Union at the General Assembly of the United Nations, see vol. II, pp. 371 ff.

[4] Francis P. Matthews, Secretary of the Navy.

[5] General Carl Spaatz, U.S.A.F., retired, contributed a regular column to *Newsweek* at this time.

661.00/10–1950 : Telegram

The Chargé in the Soviet Union (Barbour) to the Secretary of State [1]

[Extract]

SECRET Moscow, October 19, 1950—noon.

891. The amiable side of the Soviet countenance beginning to emerge into sharp focus with increasing rapidity wears not cheerful grin of a good comrade but rather forced smile of an exposed scoundrel. Failure of Soviets to intervene openly in Korea, mild tone of their recent notes on POW's and strafing of Soviet airfield, recent overtures apparently seeking a conference on Germany, their attempts, half-hearted as they may appear, to seem cooperative in UN are not indications of basic Soviet change of heart but may be early ephemeral fruit of policy of containment and building of areas of strength. If this so it important convert them into tangible benefits as quickly as possible while not relaxing to any degree the developing of the counter-strength that has evoked them.

Although our thinking appears based on concept equality of strength will force Soviets negotiate compromises and although USSR may indeed enter into some otherwise unfavorable agreements in order create some action toward diminishing or stopping present defense efforts in West, there is strong possibility Soviets would never be willing negotiate loss such as would actually be case in meeting US or UN demands at any present sensitive spots. Experience with Greece and now with Korea seems bear this out and it likely situation must approach that of Soviet regime at time of Brest-Litovsk Treaty [2] before such could be achieved. It possible then that Soviets would either enter upon agreements which as in past would represent superficial compromises but be unenforceable or while continuing to indicate readiness to enter upon settlements would avoid any formal commitments. It might hope lull West back into apathy by exaggerating its peace policy, playing upon burden of armaments in countries of free world and refraining from military adventures on part of its satellites as well as itself for a reasonable extended period of time. It would of course use this time to continue perfecting its subversive organization road and pounding away at such themes as American imperialism, the replacement of Germany by US as the barbaric menace to civilization.

The present atmosphere therefore may offer US prospect of testing the exploitability of the recent Soviet manifestations of less truculence. It might well stress in a lucid manner that Soviets desire for "peaceful

[1] This telegram was relayed to Vienna at 11 : 49 a. m. on October 19.

[2] For documentation on the conclusion of the peace treaty of Brest-Litovsk, signed on March 3, 1918, between the Central Powers and the Soviet Government of Russia, see *Foreign Relations*, 1918, Russia, vol. I, pp. 404–476; and for the text of the treaty, see *ibid.*, p. 442.

co-existence" with the capitalist world can find an immediate and clear expression in the signing of an Austrian treaty and that given that sign which amounts to implementation of an actual agreed decision of the CFM, US would be willing respond favorably to Soviet requests for CFM on Germany. It is not too likely this would be successful but a rejection on these terms would at minimum be another exhibition of Soviet recalcitrance on the Austrian question.

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BARBOUR

511.6141/10–2150 : Telegram

The Chargé in the Soviet Union (Barbour) to the Secretary of State

RESTRICTED Moscow, October 21, 1950—2 p. m.

902. Under heading "Harold Stassen's Dirty Game," *Pravda* October 19 plays prominently Y. Viktorov article.[1] Embassy detects underneath Viktorov's bluster a genuine concern neutralize effects Stassen's move. It was inconceivable, of course, that Stalin would reply to the letter, even negatively. The assignment of Viktorov was designed to rebuff Stassen and lower tone of incipient discussion from interchange of two political leaders to barroom brawl. Rebuff designed to punch nose of politician shown as attempting use Stalin to advance political fortunes and having effrontery to suggest change in Soviet foreign policy.

Particularly necessary for Politburo to counter Stassen's gesture because Stassen moved in on a favorite Soviet device, proposing a high level, hands across the sea, conference to ease tension. Unmasking this maneuver was vital hour [*sic*] USSR so that Soviet Union would not seem to be rejecting, before unsophisticated eyes, the very solution that USSR always urges for international conflict.

Embassy notes that Viktorov attempts to counter Stassen on employment and regulated capitalism, subject on which Stalin made no firm statements in the 1947 Stalin interview with Stassen. He omits mention of the point about US expansion of exports, raised by Stassen in the recent letter, on which Stalin did express a rather definite opinion in 1947.

Publication of reply may indicate need neutralize VOA dissemination Russia Stassen invitation. Although reply hardly seems tailored for American consumption, with fantastic unemployment figures, it may be designed not only for USSR but other regions, where ignorance and misconception about US can be used to Soviet advantage.

BARBOUR

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[1] For a commentary and reaction, see *New York Times*, October 21, 1950, p. 1.

861.424/11-250 : Telegram

The Secretary of State to the Embassy in the Soviet Union

RESTRICTED WASHINGTON, November 2, 1950—noon.

293. Send Shvernik[1] fol through appropriate channels Nov 6 "I have been instructed to convey through you to the peoples of the Sov Union the best wishes of the people of the United States on the occasion of the national holiday of the Union of Soviet Socialist Republics."[2]

ACHESON

[1] Nikolay Mikhailovich Shvernik was the Chairman (President) of the Presidium of the Supreme Council of the Soviet Union.

[2] Ambassador Kirk had remarked in telegram 956 from Moscow on November 2 that he considered "sending such letter quite consistent with current situation and that its omission would definitely be remarked." (861.424/11-250) For comparison with the greeting sent in the previous year on the anniversary of the Bolshevik (October) Revolution, see telegram 803 to Moscow on October 29, 1949, *Foreign Relations*, 1949, vol. v, p. 669. In telegram 1067 from Moscow on November 21, 1950, the Ambassador transmitted the text of an acknowledgment of thanks for the present greetings from Deputy Foreign Minister Gromyko dated November 17.

511.6141/11-350 : Telegram

The Ambassador in the Soviet Union to the Secretary of State

RESTRICTED Moscow, November 3, 1950—3 p. m.

963. VOANY.[1] Article September issue *Nauka i Zhizn* [*Science and Life*] by V. G. Sokolov, "Present Day Sectarianism And Its Reactionary Role", while directed primarily against Baptists, Evangelicals and Seventh Day Adventists, attacks all religion as "directly opposed to scientific world outlook and hostile to Communism." Especial emphasis on sectarians who have attempted harmonize their teachings with Communism. Refers to letter All-Union Council Evangelical-Baptist Christians to Foreign Baptist 1947, stating Russian Baptists "fully share social-economic principles of Communism as not being contrary to teaching of our Lord Jesus Christ." Finds teaching of "class peace, love for one's enemies" completely opposed to Communism. Such teaching "in essence nothing other than lulling vigilance of Soviet people." "Real philanthropy specifically includes sincere hatred for enemies of labouring humanity." "Antiscientific reactionary theology of sectarianism, as of any other religion, prevents believers from loving their motherland undividedly, from consciously and more actively taking part in struggle for victory of Communism."

[1] This telegram was relayed to the Voice of America in New York at 10:45 a. m., on this day. The Embassy in the Soviet Union sent a longer summary of this article, with more detailed commentary, in despatch 219 on November 13; not printed. (861.413/11-1350)

Comment: This article makes perfectly clear that Soviets consider it necessary to destroy religion utterly, and any compromises with it are purely temporary and expedient. Article especially useful for broadcasts to satellites where churches are making compromise with Reds.

KIRK

761.00/11-750 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

CONFIDENTIAL Moscow, November 7, 1950—8 p. m.

987. Usual summation of internal and external developments affecting Soviet people and their government delivered this year by Bulganin[1] at anniversary celebration in Bolshoi Theater. Embassy assumes text available to Department through monitoring service.

Early assessment leaves impression that compared to 1949 this past year was lean one for Soviet foreign policy and that Kremlin recognizes this fact. Bulganin devoted by far greatest proportion of address to achievements of Soviet people in economic field—highlight being announcement of fulfillment of tasks set for fourth five year plan. String of glowing successes in this field relieved only by backwardness in housing construction and high cost of capital construction both of which are of serious concern to government. More detailed appraisal of economic and agricultural statistics will follow in separate telegram.[2] It should be noted that last year's labored contrast of economic progress in the Soviet orbit with economic deterioration in the US and other free world countries was absent in Bulganin's speech. The superiority of the Soviet socialist system was indicated in reference to the grandiose projects announced earlier this year described here as "real projects of communism" in their scope.

Treatment of events in foreign field reflects absence of major achievements comparable to establishment of CPR and GDR last

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[1] The anniversary speech was delivered on November 6, by Marshal Nikolay Alexandrovich Bulganin, who was a member of the Politburo and Orgburo of the Central Committee of the Communist Party of the Soviet Union and a Deputy Chairman of the Council of Ministers, among other positions held.

[2] The Embassy sent lengthy comments on the economic aspects of this speech in telegram 1008 from Moscow on November 13; not printed. (861.00/11-1350) Bulganin had summarized in some detail the achievements of the fourth five-year plan, and the Embassy pointed out that some of the failures of complete fulfillment of the plan had been concealed by evasions and omissions. Bulganin's references to the economy of the United States were "unusually mild" and the disparagements were less severe than those made the year before or even in "more recent policy addresses." It seemed that this attitude might indicate a "genuine awareness US boom has penetrated Soviet mentality . . . rendering obsolete mothy propaganda line impending US depression."

year. This imparts note of reserve to speech contrasting with Malenkov's exuberance in 1949.[3]

Bulganin followed the familiar pattern of contrasting the peace policy of the Soviet Union with the war policy of the USA and portrayed pertinent events along lines already well laid out in the Soviet press. A significant highlight was the attention given to Korea where the Korean people were pictured as suffering temporary reverses in the face of overwhelming odds but were destined for victory such as the young Soviet regime attained in a similar situation at the time of intervention and civil war. "Korea has become the banner of the liberation movement of oppressed and dependent peoples". Although treating German question along standard current Soviet lines, Bulganin did not mention the Soviet request for a CFM. This coupled with belated and cursory publication their note leaves impression that Soviets concerned that their people would interpret this request as sign of weakness. It may be important that stress was laid in the speech upon fact that peaceful coexistence is possible, in spite of foreign assertions to contrary, but that it depends upon willingness of parties concerned—Soviet Union being willing and US not. Both China and the peoples democracies who received a fair amount of attention in Malenkov's speech last year were dealt with in a few sentences but this may only be due to the greater importance the other problems mentioned assumed during the course of the past year. The peace movement as such came in for less treatment although its organized nature was referred to as was the Praha extension of the Stockholm appeal and the impressive signature total of 500 million. Frank recognition of the charges of "Communist menace" and espousal of CP's abroad along with their identification with masses may be indication of continued basic reliance of the faithful rather than on more diverse partisans of peace.

Continued support of UN noteworthy. Latter mentioned along with Potsdam declaration[4] as part of agreed system of postwar international collaboration for peace and still called upon to be "serious instrument of preserving peace and international security".

In brief, except for the announcement of the fulfillment of the five year plan and the statistics of economic, social and cultural achievements, there was nothing new or startling in the speech and the important events of the year were chronicled along lines already made clear in the Soviet press.

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[3] Georgy Maximilianovich Malenkov was a member of the Politburo and Orgburo of the Central Committee of the Communist Party of the Soviet Union and a Deputy Chairman of the Council of Ministers, among other positions held. For the Embassy comments on his speech of November 6, 1949, see telegram 2791 from Moscow on November 7, 1949, *Foreign Relations*, 1949, vol. v, p. 671.

[4] *Foreign Relations*, 1945, The Conference of Berlin (The Potsdam Conference), vol. II, p. 1499.

A significant change in this speech over that of Malenkov last year is apparent in the part touching upon the possibility of war. Although both assert that the Soviet people cannot be frightened Bulganin stated they would defend the interests of their homeland with weapons in hand if need be and stressed that communism could not be destroyed whereas Malenkov declared that it was the imperialists who should be afraid and threatened the extinction of capitalism in a third world war, if it occurred.

Reflection of current Soviet preoccupation with Korea contained in speech of Marshal Budyenny [5] who reviewed military parade on November seven. Only foreign item his entire speech was statement that Soviet people express their sympathy with Korean people fighting for their independence.

Stalin, Malenkov, Beria [6] did not attend the ceremony at the Bolshoi Theater and were not present on Lenin's mausoleum for the military parade. Parade was shortest in recent years with popular demonstration completed by one p. m. Weather was drizzly and misty. Air force and cavalry portions of parade omitted. Speculation here that show shortened to spare constitutions of leaders. Bow to peace made in release of two white doves during parade.

Department please pouch to Paris, London, Rome, Frankfort, Berlin, Badnauheim.

KIRK

[5] Semen Mikhailovich Budyenny was a Marshal of the Soviet Union, a member of the Central Committee of the Communist Party, and a Deputy Minister of Agriculture and Chairman of the Technical Council of that Ministry's Main Administration of Horsebreeding.

[6] Lavrenty Pavlovich Beriya was a member of the Central Committee of the Communist Party of the Soviet Union and of its Politburo, and a Deputy Chairman of the Council of Ministers.

511.6121/11-2850 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

SECRET Moscow, November 28, 1950—6 p. m.

1105. Reference Department's two OM's October 26.[1] Subject: Press: *Amerika* Magazine promotion campaign. After two weeks repeated attempts get appointment Ramsin, Soyuzpechat, who was stated to be sick, delivered today to Tarasov,[2] assistant to Ramsin, copies of posters and proposed newspaper advertisements. Tarasov accepted copies and stated since latter involved question subscriptions to magazine would have to consult on matter and would give answer on two matters by telephone.

[1] Neither printed.

[2] Tarasov was chief of the Distributing Section of Soyuzpechat.

Suggest that INP New York submit soonest complete text of advertisement for issue 49, adding list of titles contained in issue 50 which it desires to include in advertisement so that copy can be submitted censor soonest. This would make possible receipt of answer from Foreign Office on matter subscriptions, if Soyuzpechat doesn't answer directly.

Also suggest that USIS, Moscow, change proposed newspaper advertisement and make it refer to issue 44 so that it can be submitted evening [3] Moscow now, in connection appearance this issue.[4]

Suggest that both steps be taken without waiting for possible answer from Soyuzpechat on today's visit.

KIRK

[3] As received; probably a garble.

[4] The Department agreed to this suggestion in telegram 399 to the Embassy on December 8; not printed. (511.6121/11-2850) No important developments in relation to the magazine *Amerika* resulted during the remainder of this year. As Soyuzpechat returned unsold copies of issues of *Amerika*, a serious storage crisis arose for the Embassy in the Soviet Union. For the time being, the large number of returned copies, sometimes totaling approximately 30,000 copies of an issue, had to be shipped to the Legation in Helsinki where storage space could be found, pending the determination of appropriate alternative places for redistribution.

511.6141/12-750 : Telegram

The Chargé in the Soviet Union (Barbour) to the Secretary of State

RESTRICTED Moscow, December 7, 1950—5 p. m.

1155. Re Deptel 386, December 4.[1] US delegation arrived November 24,[2] expressed great satisfaction and gratitude opportunity visit USSR and see life Soviet people and its creative peaceful labor.

Press 28th reported US delegation received by Soviet Committee Peace and Chairman Tikhonov.[3] Holland Roberts quoted as stating: Delegates had come from peace congress, where "together with you we fought for firm and enduring peace"; carrying out of decisions taken at congress has enormous significance for American people and no difficulties will stop Peace Partisans. Other American delegates spoke of difficulties in gathering Stockholm signatures in US, and speech Jackie Klek, who collected about 4,000 signatures in Los Angeles, warmly received. Molly Lucas stated Negroes willingly

[1] Not printed. The Department of State had requested the Embassy to report on the remarks made by the visiting members of the American peace delegation.

[2] Under the leadership of Professor Holland Roberts several members of the American delegation came from the meetings of the Second World Congress of the Partisans of Peace in Warsaw (November 16–22), to visit in Moscow, with side trips to Leningrad and Stalingrad, before leaving about December 4. The Embassy remarked that the Soviet authorities had everywhere made special efforts to create favorable impressions upon the visitors.

[3] Nikolay Semënovich Tikhonov, a poet and at times a war correspondent, was Chairman of the Committee for Peace of the Soviet Union.

signing for they know war which American imperialists waging is not for democracy. Kingsbury, Theresa Robinson and Charles Howard cited examples of tireless self-sacrificing fight of honest Americans for peace. Delegation sent open letter to Ambassador, dated November 28, re Embassy despatch 272, December 1.[4]

Most papers December 2 carried text letter Roberts behalf US delegation to Tikhonov, which: expressed confidence possibility Soviet-US cooperation; stated consistent fight for peace essential for all peoples; asserted that, as result of close acquaintance with representatives of USSR and of examining various institutions during visit, US delegation again convinced itself USSR does not want war; expressed belief that "exchange of such representative delegations US" would have great significance in establishing mutual understanding between "our two peace loving peoples"; asked Soviet committee help organize exchange of delegates between USSR–US and, in return, pledged every effort to secure cooperation in noble struggle for peace. Tikhonov same day replied Soviet committee welcomed aspirations of peace envoys of US people and that one way increase cultural links in exchange of delegates, etc.

December 5 papers carried December 4 Moscow press conference. Roberts quoted as stating that: As first US delegation to come since 1947, they were profoundly impressed by what they had seen; since his last visit 16 years ago, incredible successes achieved. Roberts then read lengthy statement, signed by all (19) members, which stated: Hope that day not distant when Soviet delegates will be freely received in US: war inflicting monstrous destruction on Koreans, making US land of barracks, and threatens become war against CPR: the longer crisis continues, more danger of world atomic war; Soviet hospitality was boundless, and delegates were touched by reception by working people, by great achievements in restoration, in culture, ballet, etc.; whole atmosphere Soviet life imbued with spirit of peaceful creative labor; delegates struck by desire for peace when, "at our own wish, we visited any town, asked any questions that occurred to us and willingly obtained replies from workers, students, [apparent garble]," etc.; delegates have different political and religious convictions but none doubt Soviet people desires and is working for peace; if only US Government would spend small part of billions set aside for war in order that tens of thousands of fellow countrymen might make such trip; delegates proud of much in democratic heritage in US and also critical of much; to save US from catastrophe and preserve opportunity for democratic progress, necessary peace in Korea, prevent US war against CPR, and reach US-Soviet agreement plus long

[4] Not printed. A copy of the letter was enclosed in this despatch. (700.001/12–150) The Embassy reported in telegram 1135 on December 3 that an article entitled "The Fears of Alan Kirk" had been published on that day in *Pravda* based upon the Ambassador's refusal to receive the delegation. (961.61/12–350)

period peaceful coexistence; delegates solemnly appeal to Americans, from Moscow, to act quickly to return US Government to peace policy; trade unionists in delegation profoundly impressed by immense achievements in Moscow auto Leningrad machine building, and Stalingrad tractor factories; US workers could have work and peace if US Government would devote resources to develop peaceful trade with USSR instead of weapons; educators and clergy in delegation impressed by high level Soviet education and high moral character Soviet people; absence racial hatred highly valued; "we return home, however, as the supporters of one very important cause only—that of renewing and continuing struggle for peace; we will disseminate as widely as possible this one idea."

Howard and Robinson stated delegation intends to carry out Warsaw congress decisions in US through mass meeting, activation work of local committees, educational work, etc. Clergyman Muir and trade unionist Yolande Hall described difficult conditions US Peace Partisans. Kingsbury, trade unionist Dorothy Cowle and others, spoke on need for developing cultural collaboration. Ephouse said delegates extremely indignant at latest Truman statement on threats of war against China.[5]

Full texts newspaper report above being pouched air mail.[6]

[BARBOUR]

[5] Probably intended is President Truman's statement on the Chinese invasion in Korea and the consequences entailed read at his news conference on November 30. For the text, see *Public Papers of the Presidents of the United States: Harry S. Truman, 1950*, pp. 724–725.

[6] Not printed.

601.6111/12-1150

Memorandum of Conversation, by the Director of the Office of Eastern European Affairs (Reinhardt)

SECRET [WASHINGTON,] December 11, 1950.

Lord Jellicoe[1] said that as we knew, the British Government had been studying the question of imposing travel restrictions on Soviet and Soviet satellite diplomats and other representatives in the U.K.[2] Although the British Government had decided that this was not the moment to institute such measures, the Cabinet had approval, however,

[1] Earl Jellicoe was First Secretary in the British Embassy.

[2] For the reimposition of travel restrictions in the Soviet Union by the note of September 30, 1948, and the consideration of the effects of the restrictions upon the travels of Embassy personnel, see *Foreign Relations*, 1948, vol. IV, pp. 921–937 *passim*. The Embassy in the Soviet Union had informed the Department in telegram 1479 on May 25, not printed, that some trouble was being experienced by Embassy officers who had been refused tickets for travel to some "open" areas, but that other applications would be made in the near future. (601.6111/5–2550)

in advance a set of restrictions so that at any time in the future it was deem useful they could be put into effect without delay. He said that the Embassy had been instructed to provide the Department for its information with a copy of these restrictions (attached [3]) in accordance with the understanding that the two governments would keep each other informed regarding developments and proposed action in this field. Finally, he inquired as to the latest status of this subject here.

I replied that we were maintaining our restrictions on the Rumanian Legation, but that although we kept the subject constantly under review, there was at the moment no plan to extend travel restrictions to include the Soviet or other satellite missions.[4]

F[REDERICK] R[EINHARDT]

[3] Not printed.
[4] See the unnumbered circular airgram of December 14 on United States policy toward Soviet and satellite representatives in the United States, p. 60.

511.6141/12–1250 : Telegram

The Chargé in the Soviet Union (Barbour) to the Secretary of State [1]

CONFIDENTIAL Moscow, December 12, 1950—1 p. m.

1175. We have been increasingly struck by what appears to be a real and growing fear of world conflict on the part of Soviet citizens. Within range our limited contacts we have heard this fear expressed frequently and vehemently. Generalizing, we believe average Soviet citizen is aware that East-West relations have been deteriorating, although he is badly informed on facts and hence finds it difficult to ascribe blame.[2] Nevertheless it is doubtful whether he completely swallows official Soviet propaganda version. In this regard it is striking that we and other Western diplomats here have encountered anti-Western feeling very rarely.

If this analysis is correct, it suggests that we should endeavor to simplify our propaganda methods (Embtel 1174, December 12 [3]) directed not only to orbit but to countries such as Italy and French having large Communist parties. We should concentrate and amplify

[1] This telegram was relayed to London, Paris, and Frankfort at 11:30 a. m. on December 12.
[2] The impression that there was a growing fear of war among the people of the Soviet Union was attributed in telegram 1215 from Moscow on December 19, not printed, to "(*a*) realization that world tension has been increasing, (*b*) memories of suffering in World War II and (*c*) fear of use such new weapons as atomic bomb." It was believed that the "popular mentality is primarily defensive in nature, and that element of bellicosity does not exist on widespread scale." The Embassy declared, however, that these generalizations expressed here and in telegram 1175 were "based upon subjective impressions which should be treated with caution." (661.00/12–1950)
[3] Not printed.

calmly factual message that West does not want war and has taken every conceivable step to avoid war. We should make it clear that large Chinese contingents fighting in Korea are regular army units and not handful of devoted volunteers. Finally we should impress upon listeners fact that present situation is direct and inevitable result of Kremlin expansionist policy and that remedy is in hands of Kremlin alone.

To overcome jamming, and to avoid taint inevitably attaching to VOA and BBC, we feel we should make most intensive effort to induce other countries both in Europe and Asia to broadcast to Soviets both in Russian and in minority languages. We think these broadcasts should not be relays but should be independent factual accounts of current events. Growing use of UN materials undoubtedly would be helpful.

No doubt some or all of these thoughts have occurred to those in Department charged with planning and directing VOA. At risk of being repetitious we emphasize them because we believe present state of Soviet "public opinion" is ripe for this form of approach.

BARBOUR

761.5/12–1750 : Telegram

The Chargé in the Soviet Union (Barbour) to the Secretary of State [1]

[Extracts]

TOP SECRET Moscow, December 17, 1950—2 p. m.

1198. Embassy concurs in Department view that any Soviet decision regarding overt military action in West would probably not rest on mere announcement of agreement to utilize West German forces.[2] Soviets undoubtedly watching entire rearmament picture closely, US mobilization as well as German defense steps. To date Soviet people have been told that western powers have aggressive intentions which pose ultimate threat to USSR if not frustrated. So far Soviet propaganda has been assuring people that peace will conquer war although there are some intimations that fight for peace might have to be conducted with more than words. Role of Soviet Army still portrayed as defence of homeland and state interests of USSR. Latter presumably embraces existence of friendly governments on periphery in present period but nothing has been noticed which would tend to

[1] This telegram was relayed to London, Paris, Brussels, and Frankfort at 11 : 05 a. m. on December 17.

[2] The present telegram was in reference to telegram 3026 sent by the Department of State to the Embassy in the United Kingdom on December 13, not printed, which was concerned with the possible reaction of the Soviet Union to German participation in European defense. (740.5/12–950)

justify in peoples mind outward movement to complete ring for this purpose alone. Iran case reflected contrary disposition. Hence large scale Soviet move on western Europe would clearly be preventive at fairly early stage of malady and although dictatorship can give orders at any time such move would find quite different reaction from people who defended homeland in 1941. Basic Soviet Marxism would call for the Soviet Army to come out in exploitation of revolutionary situation abroad at point where revolutionary force showed promise of enough success to enable the combination of forces to attain victory. If this thinking applies here, a decision as to whether to take overt military action or not would probably depend heavily upon progress on Chinese front and in peace movement.

Failure of Chinese to show promise of breaking out of containment in Asia could serve as brake on decision to use Soviet Army in Europe. On other hand moderate Chinese successes could hold out expectation that joint Chinese and Soviet efforts would be victorious. Indications of prospect of sweeping Chinese successes might eliminate need for Soviet extention of hostilities to West as being unnecessary in long run. On other hand appears likely that peace movement must demonstrate more success spreading confusion and defeatism and slowing practical defense moves in West than it has so far before it makes the required contribution. Announcement on German rearmament and on national emergency in US as well as UN reaction to Korean developments are signs that peace movement has not been too effective along this line.

Consideration of Soviet military strategy in FE so far leaves impression that large scale sudden offensive as assault on western Europe would not be likely if Soviets could push eastern Germans supported substantially by satellite troops as "volunteers" into conflict with West Germany and Allied troops there thus creating situation where Soviet leaders could assist covertly and watch progress of events for time when decision could be made either to throw in full weight of military strength or act as peacemaker. USSR treaty obligations to satellites for immediate assistance in event they are subjected to attack by Germany and Allies, which might be complicating factor in this strategy, could be obviated or delayed by insistence on "volunteer" nature of participation satellite troops.

Soviets have endeavored through the peace movement to inundate world public with thought that first country using atomic bomb is barbaric perhaps with idea in mind that US reaction to above strategy would be to indict USSR immediately and launch atomic attack on it which they would expect to result in crystallization of world support around Soviet Union as victim of this established concept.

. . . . . .

We also agree with Paris comment (paragraph 3 Paris telegram 3471, December 16 [3]) on additional probable Soviet reaction, which would be consistent Soviet policy to date of endeavoring to buy time and sow confusion by speciously conciliatory pronouncements with threatening overtones. With Paris, we feel that importance of three powers standing together in face of Soviet reaction is overriding and, despite the urgency of present situation, would even be prepared accept somewhat less than maximum desirable decisions, if in doing so we could be sure of achieving wholehearted French and British support in meeting further Soviet moves.

BARBOUR

[3] Not printed. The telegram was in relation to having tripartite conversations on a possible reply to a Soviet note proposing four-power talks. (396.1/12–1650)

661.00/12–1950

Memorandum of Conversation, by the Ambassador to the Soviet Union (Kirk), Temporarily in Washington

SECRET [WASHINGTON,] December 19, 1950.

I saw the President today between 10 minutes of 12 and 10 minutes after. A brief summary of the conversation follows:

After the usual greetings, I made the following initial point: the situation with the Soviet Union is ticklish and while I did not believe the Soviets would march immediately, yet there are certain possibilities which might cause them to move; such as:

(*a*) Action on the part of the Western world which would force the Soviets to go to war. As an example, let us say, declaration of war against Red China with bombing of Chinese cities. Such an eventuality, I thought, would cause the Russians to implement their treaty with the Peking government, signed last February.

(*b*) At the other end of the scale, the Soviets might move if our forces in Korea were completely eliminated and we lost our trained, experienced officers and men with the resultant severe weakening of the U.S. military potential. Under such unhappy circumstances the Soviets would very likely feel that they must move and move now.

In between these two possibilities, I felt that the Soviets were gaining so much by bleeding the United States, in particular, and the Western world in general, through the war in Korea, that it would not be to their immediate advantage to move against us. (The President agreed with these views.)

The President asked my feelings about possible Soviet moves in Europe, mentioning GDR forces attacking West Germany, or Bulgarian and Hungarian attacks on Tito.

My reply to the first was that since our own armed forces were involved, such an attack could not succeed without Red Army aid—which would mean World War III.

As to the second, I felt such was a possibility but not a probability, although not overlooking Kremlin dislike of Tito.

The President asked about the general state of health of Mr. Stalin. I summarized my impression of the interview I had with Mr. Stalin in August 1949.[1] Briefly, that Stalin was in full possession of his faculties, alert mentally, and gave the impression of a vigorous man. He shows his years (70) but is in no sense failing in his faculties.[2] I went on to say that Stalin was the dictator *absolute* of the Soviet Union. He embodies all the loyalty formerly given the Czar in the temporal field and, since religion has been abolished in the Soviet Union, he has some of the attributes of the Deity. In other words, he is adored and looked up to by the peoples across the whole vast empire. The President asked if I thought Mr. Stalin dictated every decision, and I replied that policy lines were always laid by Mr. Stalin but the Polit Bureau implemented his policies, as necessary. As to a probable successor, I said that should Mr. Stalin die in the next few years, my guess would be Molotov. If, on the other hand, Stalin lived for 10 or 15 years more that, making due allowance for changes in the situation in that interval of time, I would suppose Malenkov would be the most likely successor. Malenkov is already Secretary General of the Party, Minister of the Interior, and has many strings in his hand.[3]

The President asked about the state of public opinion in the Soviet Union and I replied that loyalty to the regime was universal, that although by education the power to think was being developed, yet in that system of government, with secret police, etc., everywhere, there was little likelihood of any dissension, unless, in the event of war, there were serious reverses suffered by the Soviet armies. On the other hand, undoubtedly there are tensions and strains in the Body Politic, which I hope we might find some means to exploit.

We then touched on the military potential and I gave my view to the effect that the size of the country was of itself a tremendous advantage to them from the point of view of resisting attack. On the other hand, the vast distances in Russia were a handicap to the Soviets, as they have no road net in the ordinary sense of the word, and are

[1] For information concerning the interview between Ambassador Kirk and Generalissimo Stalin held on August 15, 1949, see *Foreign Relations*, 1949, vol. v, pp. 646 and 651.

[2] A greeting had been sent to Stalin for his 70th birthday on December 21, 1949; *ibid.*, p. 686. The Department had informed the Embassy in telegram 341 on November 16, 1950, not printed, that it did not contemplate sending a greeting this year. The custom had apparently been a wartime innovation, and as Stalin was not technically the Head of State the Department saw no reason to continue the practice. (711.11-TR/11-650)

[3] Georgy Maximilianovich Malenkov held many offices in the Communist Party and the Government of the Soviet Union, but he had not been the director of a single ministry.

confined to single track and inefficient railroads. However, I went on to say the matter of mass was a very serious one from a military point of view because the Russians had so many more men under arms, so many tanks, so many airplanes, so much artillery, that Western forces had to be specially equipped to deal with the vast numbers which would be flung against them.

From here I went on to say that the Soviets only understood military power when dealing with foreign nations—that to be effective with them one had to be strong. The President said that was what he was trying to do and had been trying to do ever since 1945. We agreed that our troubles with the Soviet Union stemmed from the disbandment of our immense military forces in middle Europe in 1945. I pointed out that historically the Soviets in their own writings, and in accounts by others of their difficulties, had felt their own voice in international affairs had always been weak when their military strength was weak, such as after the Treaty of Brest-Litovsk in 1917–18.

We then touched on the industrial capacity of the Soviet Union and I pointed out that although it might take ten Russian workmen to do what one American could accomplish with a good machine tool, nevertheless in Russia they had the ten men. I said it was my belief that conditions for the masses of the people in the Soviet Union had been constantly improved in matters such as food, some consumer goods, electrification, etc. Further, that although the use of the word "free" in our sense of the word would not be understood in the Soviet Union, nevertheless, the Soviet people did feel that they had gained a great deal of freedom under the Soviet regime and that in general there was, if not contentment, at least a feeling that things were better.

In conclusion, I said in my judgment the only way to deal with the Soviets was to be strong, to be firm and to be consistent. In terms of strength, I said in my view we did not need to match them man for man, gun for gun, and tank for tank, but that we must be so strong as to make the Soviets pause and give careful consideration to the risk that they would run in engaging in a general war with the Western world.

I said Stalin was wise and canny, he had created a cohesive nation and had benefitted the people greatly; therefore, I inclined to the belief he would not start a war he could not win. On the other hand, there was the danger that Stalin, flattered by his advisors, might, like Hitler, be persuaded to seek world domination while still alive. My measure of the likelihood of war being commenced by the Soviet Union was perhaps best expressed by the ratio of 3 to 2, against.

The President said he would like to see me again before I went back to Moscow.

ALAN G. KIRK

782.022/12-2050 : Telegram

The Acting Secretary of State to the Embassy in the Soviet Union

TOP SECRET WASHINGTON, December 20, 1950—8 p. m.

427. As defensive peace-time measure Turks contemplating controlled mining of Straits by moored mines on bottom Bosphorus controlled from harbor entrance post.[1] When not energized mines wld constitute no menace to navigation and cld be crossed at any point without pilotage. Mines breaking loose wld be sterile and wld not endanger passing vessels. Under such conditions both US and UK agree project wld not constitute infraction Montreux Convention.[2] When expressing legal view to Turks last June,[3] UK discouraged implementation on grounds (1) freedom of passage might be restricted by inevitable knowledge existence mines and thus involve Turks in polit and legal controversies and (2) maintenance requirements make it undesirable lay mines unless and until Turks think there is imminent danger war. Now appears unlikely Turks will proceed with project unless UK concurs in principle to laying of mines.

Mining project strongly supported by US Mil Mission Turkey (Mines wld probably be supplied under MDAP program.) and US Navy Dept because of value as defensive measure and as aid to detection submerged Soviet subs transiting Straits.

Dept seeking formulate own position before approaching Brit re concurrence in principle or urging Turks proceed and therefore requests ur views re probable Soviet reaction to mining project.[4]

WEBB

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[1] For documentation in regard to the proposed placement of controlled mines by Turkey in the Bosphorus, see vol. v, pp. 1224 ff.

[2] The convention was signed at Montreux, Switzerland, on July 20, 1936. For documentation about the conference on the straits between June 22 and July 20, see *Foreign Relations*, 1936, vol. III, pp. 503 ff. For the text of the convention, see League of Nations Treaty Series, vol. CLXXIII, p. 213. See also Department of State, *The Problem of the Turkish Straits*, Publication 2752, Near Eastern Series 5 (Washington, Government Printing Office, 1947).

[3] The reference is to a British *aide-mémoire* of June 19 which was enclosed in despatch 113 from Ankara on August 29; not printed.

[4] See telegram 1227 from Moscow on December 22, p. 1281.

711.5/12-2150 : Telegram

The Chargé in the Soviet Union (Barbour) to the Secretary of State [1]

SECRET Moscow, December 21, 1950—1 p. m.

1221. Following examples treatment Truman press conference November 30 [2] and Truman–Attlee communiqué,[3] *Pravda* December 19 ran two-column front-page editorial commenting on Truman's state emergency proclamation.[4] (Reference press telegram 1207, December 19, Paris 272.[5]) Although editorial adds little to usual Soviet arguments and allegations last paragraph reads:

"New aggressive measures in US cannot fail to attract attention of people of Soviet Union as well as peoples other countries. While expending their strength on peaceful work and continuing their efforts for the completion of the great plans of construction, the Soviet people, together with those activities, will increase its watchfulness (*bditelnost*) in relation to the aggressive powers and especially in relation to all of their international intrigues."

This statement is first indication to Soviet people from Soviet official at source that increased world tensions may affect peaceful construction work and internal improvements which Soviet people have been told is their principal means of strengthening international peace. Warning to Soviet people concerning recent increase international tensions may also foreshadow strengthening Soviet military preparations. This speculation strengthened by statement in editorial that US armed forces being increased to permit armed intervention not only in Korea; (*Pravda* quotes Truman reference, "in other parts of globe" to indicate further American intervention to be expected).

On other hand, the Soviet reaction to so serious a step as USA emergency declaration could have been more vigorous without being inconsistent with Soviets' "peace policy". The word "watchfulness" seems to have been carefully chosen in order to avoid alarming unduly Soviet people whose fear of war has grown as result of Korea.

BARBOUR

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[1] This telegram was relayed to Paris at 10:30 a. m. on December 21.

[2] Text in *Public Papers of the Presidents of the United States: Harry S. Truman, 1950*, pp. 724–728.

[3] For the joint statement of December 8 of President Truman and British Prime Minister Clement R. Attlee, see *ibid.*, pp. 738–740, or Department of State *Bulletin*, December 18, 1950, pp. 959–961.

[4] Proclamation 2914 proclaiming the existence of a national emergency, December 16, is printed in 15 Fed. Reg. 9029, or *Public Papers of the Presidents of the United States: Harry S. Truman, 1950*, pp. 746–747. See also the President's radio and television report to the American people on the national emergency at 10:30 p. m., on December 15, *ibid.*, pp. 741–746, or Department of State *Bulletin*, December 25, 1950, pp. 999–1003 (the Proclamation is also printed on p. 1003).

[5] Not printed.

782.022/12-2250 : Telegram

The Chargé in the Soviet Union (Barbour) to the Secretary of State

TOP SECRET Moscow, December 22, 1950—1 p. m.

1227. Deptel 427, December 20. Believe Soviets would at least react loudly to proposed mining of Turkish straits, and while extent of any actual Soviet countermoves would probably not be predicated this action alone, mining would be capitalized on to intensify current war of nerves against Turkey. In view sinister reputation mine in general, we doubt that technical justification under Montreux convention on basis their harmlessness, etc., would be sufficient to counteract public effect Soviet protests against their presence.

In circumstances we doubt wisdom this project and are opposed to it unless it can be shown to be vital for defense and there is no feasible alternative such as stockpiling the mines in a position to be laid expeditiously in the event of hostilities.

BARBOUR

511.6141/12-3050 : Telegram

The Chargé in the Soviet Union (Barbour) to the Secretary of State

CONFIDENTIAL Moscow, December 30, 1950—noon.

1270. Article in *New Times* No. 52 of December 27 commenting on Ambassador Kirk's answer to press concerning attitude of Soviet people (Embtels 1260, and 1261 of December 28 [1]) in Embassy's view affords excellent opportunity convey to public simple message on importance difficulties pertaining to relations with USSR. Although letter to *New Times* from Embassy or from Ambassador himself would follow established precedent, Embassy believes either Department statement or mention of subject in major address would be more effective.

Statement could be in nature of factual correction of misrepresentation contained in journal successor to Comintern publication *War and*

[1] Neither printed. A translation of the brief article was sent by the Embassy in telegram 1261. The article asserted that Ambassador Kirk had evaded answering a direct question by newspaper correspondents in Washington on December 19 on the reaction of the Soviet people to the war in Korea. He had excused his "'lack of information' as due [to] inability to meet generality of Soviet citizens allegedly because 'Soviet police' interfered." The article concluded: "Reluctance of Mr. Kirk to inform American public that Soviet people unanimously oppose American interventionists and that sympathies Soviet people are completely on side of Korean people fighting for freedom and liberty of their country is understandable. However means by which Mr. Kirk hastens to hide this does not testify to his resourcefulness." (511.6141/12-2850) The Department of State advised the Embassy in telegram 444 to Moscow on January 2, 1951, not printed, that Ambassador Kirk had told newsmen, following a courtesy call on President Truman, that there was "almost no contact" possible between members of the Embassy and the Russian people, but that there had been "no reference to Korea." (511.6141/12-2850)

Working Classes[2] and published through Soviet Government-owned monopoly published facilities. It could be pointed out that although Ambassador has staff able to report on published opinion in USSR which is uniform throughout country because of monopoly of printing facilities and central control of editorial policy, there is evidence that people of USSR like those in rest of world have differing individual attitudes on such important questions as events unfolding in Korea, attitudes ascertainable only through free and frequent personal contact with them.

Contrary to impression Commie parties and peace partisan movement are attempting to create in demanding greater economic and cultural interchange between Commie and free world countries that Soviet Government actually promotes these objectives in practice, facts are that as result of combination of psychological and physical restraints imposed on Soviet people by police organs of their government, laws governing contacts between foreigners and residents of the USSR and travel restrictions imposed on former, those few foreigners who are allowed to enter the confines of Soviet state, which includes, of course, the American Ambassador and the staff of his Embassy, are cut off from any opportunity to talk and visit with Soviet citizens to extent necessary to gain an understanding of their reactions to major world problems. Even in very slight let-up which took place during World War Two when cordial feelings of Soviet people were exhibited to few hundred Americans in Soviet Union by those who at personal risk helped make them feel at home was cut short by highly restrictive laws and regulations issued in 1947[3] and by administrative pressures that caused these daring friends to drop out of sight.

The Soviet Government with the cooperation of groups mentioned above uses this wartime experience and the decreasing number of rare exceptions to paint an opposite picture. But such is the real situation.

Please inform Ambassador Kirk.

BARBOUR

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[2] *War and the Working Class* (Voyna i rabochy klass), the wartime predecessor of the periodical *New Times* (Novoye Vremya), had been published from June 1943 by *Trud*, the central trade union newspaper in Moscow, eventually in several major languages.

[3] Among these restrictions and hindrances to personal associations imposed in 1947 were: the decree banning marriages of Soviet citizens to foreigners of February 15, see *Foreign Relations*, 1947, vol. IV, footnote 1, p. 722; the State Secrets Decree of June 8, *ibid.*, pp. 569, 571, 622; and the decree of December 16, on the restricted handling of foreign contacts only through the Ministries of Foreign Affairs and Foreign Trade, *ibid.*, 1948, vol. IV, p. 798.

CONTINUATION OF EFFORTS TO NEGOTIATE A LEND-LEASE SETTLEMENT AGREEMENT WITH THE SOVIET UNION [1]

761.56/2-150

Memorandum by the Assistant Secretary of State for European Affairs (Perkins) to the Secretary of State

CONFIDENTIAL [WASHINGTON,] February 1, 1950.

If the Soviet Ambassador [2] should raise with you this afternoon the question of a lend-lease settlement, particularly the lack of response by this Government to his note of September 30, 1949,[3] it is suggested that you reply along the following lines:

1. *Soviet Failure to Return 186 Lend-Lease Naval Craft*

On October 7, 1948 [4] this Government made a formal demand upon the Soviet Government under Article V of the Master Lend-Lease Agreement of June 11, 1942 for the return of 217 Lend-Lease Naval Craft. After repeated delays, detailed arrangements for the return of 30 of these vessels (27 frigates and 3 icebreakers) were agreed upon [5] and subsequently the frigates and one of the icebreakers were returned (the remaining 2 icebreakers claimed to be icebound are to be returned in the spring) to United States custody. The Soviet experts who, according to the Soviet note of December 9, 1948,[6] came to the United States to arrange for the disposition of all Naval Craft, departed from the United States without discussing the return of the remaining 186 vessels. In accordance with the provisions of Article V of the Agreement of June 11, 1942, the obligation to return these vessels is clear and specific and, until satisfactory arrangements are made in this respect, this Government considers the Soviet Government as continuing in default of its lend-lease obligations.

2. *Soviet Settlement Proposals of September 30, 1949 Completely Negative*

In its note of September 30, 1949 the Soviet Government adhered to its previous settlement offer of $200 million which had been increased nominally from the original Soviet offer of $170 million. Although we

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[1] For previous documentation on this subject and the agreement of September 27, 1949 for the return of certain naval vessels, see *Foreign Relations*, 1949, vol. v, pp. 689 ff. For the text of the Lend-Lease Act, approved March 11, 1941, see 55 Stat. 31; and for the text of the Master Lend-Lease Agreement with the Soviet Union signed in Washington on June 11, 1942, see Department of State Executive Agreement Series 253, or 56 Stat. 1500.

[2] Alexander Semënovich Panyushkin.

[3] *Foreign Relations*, 1949, vol. v, p. 742.

[4] *Ibid.*, 1948, vol. iv, p. 1012.

[5] Agreement on dates and procedures for return of 3 icebreakers and 27 frigates of the United States Navy received by the Union of Soviet Socialist Republics under the Lend-Lease Act, signed at Washington on September 27, 1949. For text, see Department of State Treaties and Other International Acts Series (TIAS) No. 2060, or 63 Stat. 2810.

[6] *Foreign Relations*, 1948, vol. iv, p. 1020.

estimated the lend-lease inventory to have a value of $2.600 billion, our first demand was for $1.3 billion which has been reduced in our note of August 18 [*8*], 1949 [7] to $1.0 billion.

In view of the apparent Soviet default with respect to the Naval craft and in view of apparent Soviet unwillingness to reach a prompt and mutually satisfactory overall settlement through negotiation, as evidenced by failure to increase their offer toward a reasonable amount, the United States Government is re-examining the current status of the negotiations and the resulting conclusions will be communicated to the Ambassador in the immediate future.

[7] *Foreign Relations*, 1949, vol. v, p. 717.

761.56/1-2250

The Secretary of State to the Ambassador of the Soviet Union (Panyushkin)

The Secretary of State presents his compliments to his Excellency the Ambassador of the Union of Soviet Socialist Republics and has the honor to call his attention to the fact that Max B. Miller & Co., Inc. has executed an agreement with the Soviet Government Purchasing Commission of the USSR in the USA relating to patent licensing for the Duo-Sol process in the oil refineries furnished to the Soviet Government under lend-lease.[1] The company has stated that the agreement was signed by Mr. A. Zakharov,[2] Chairman of the Commission, who, it was informed, is fully authorized to execute such agreements on the behalf of his Government without co-signers. The company would like to have confirmation of Mr. Zakharov's authority to sign without co-signers.

The Secretary of State will appreciate being informed of the extent of Mr. Zakharov's authority to sign such agreements on behalf of the Soviet Government.[3]

WASHINGTON, March 9, 1950.

[1] The Max B. Miller & Co., Inc., 501 Fifth Avenue, New York 17, N.Y., in a letter of February 15, 1950, informed the Department of State that the patent compensation agreement had been executed as of this date.

[2] Alexey Vasilyevich Zakharov.

[3] The Embassy of the Soviet Union answered in its note No. 42 of March 17 that Chairman Zakharov "was empowered to sign alone" the agreement. This assurance was repeated to Mr. Max B. Miller, Jr., in a letter of March 31 from Leroy D. Stinebower, the Acting Director of the Office of Financial and Development Policy. (761.56/3-1750)

761.56/3-2150

The Chief of the Lend-Lease and Surplus Property Staff (Murphy) to the Special Assistant to the United States Maritime Commission, Department of Commerce (Morse)

WASHINGTON, March 21, 1950.

MY DEAR MR. MORSE: Reference is made to your recent telephone conversation with Mr. George E. Truesdell [1] in which you requested information concerning the status of the current lend-lease discussions with the Government of the Union of Soviet Socialist Republics and particularly the negotiations pertaining to the disposition of the 84 lend-lease merchant vessels now remaining under the Soviet flag.

As you will recall, of the 125 merchant vessels transferred to the Soviets under the Master Lend-Lease Agreement, 25 were returned to the United States during the war and 4 were lost leaving a total of 96 vessels in Soviet custody on V–J Day.[2] Since that time, however, a T–2 tanker which broke in two in February of 1946 has been returned to the United States, 3 pre-war built dry cargo vessels have been reported lost, and 3 EC–2 tankers, 4 T–2 tankers and 1 old dry cargo vessel, the latter seized from the Italian Government and later returned to that Government, were returned to the United States at the request of this Government. Accordingly, our records indicate that a total of 84 merchant vessels now remain in Soviet custody as follows:

36 war-built Liberty dry cargo vessels
44 old dry cargo vessels built in 1902–1920
1 old tanker built in 1921
2 war built tankers
1 old tug built in 1919

Negotiations are still under way with the Soviets for settlement of all aspects of the Master Lend-Lease Agreement. Several issues still remain to be settled before an overall settlement can be reached. As you know, the question of the disposition of the 84 merchant vessels is one of the subjects currently under discussion as part of the overall negotiations and their final disposition still depends upon the outcome of these negotiations. Agreement has been reached on some of the issues under discussion. As a result of the Department's negotiations on the issue of the return of the U.S. Navy vessels, the Soviets have returned to the United States 27 Frigates and 1 Icebreaker (the remaining 2 Icebreakers to be returned in the late spring of this year).

With reference to the 2 Liberty ships, S.S. *John Langdon* and S.S. *Charles Gordon Curtis*, procured with lend-lease funds and loaned to the Soviet Government during the war in lieu of equivalent tonnage

[1] George E. Truesdell was Acting Officer in Charge of Economic Affairs, Office of Eastern European Affairs.
[2] September 2, 1945.

of the Italian merchant fleet, the Department has undertaken a comprehensive investigation as to the status of these vessels and whether or not their return from the Soviet Government should be demanded. In order to determine the exact circumstances surrounding this case, it is necessary to go into the records of the original transaction by which the vessels were turned over to the Soviet Government and those concerning the disposition of the Italian merchant fleet under the Peace Treaty with Italy. As yet, the Department has not been able to obtain sufficient information to substantiate a final position in this matter. Until this work has been completed, it is suggested that you refer the inquirer to this Department should you be questioned concerning the status of these vessels.

Sincerely yours, F. T. MURPHY

761.00/4–350 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State [1]

CONFIDENTIAL Moscow, April 3, 1950—9 a. m.

1019. Soviet proclivity towards monotonously reiterated dichotomy in international economic realm might, we think, be turned to our advantage by forming basis fresh approach on lend-lease settlement.

Virtually every issue of *Pravda* publishes claims to Soviet economic advances contrasting with Western moribundity. March 1 price decreases and concomitant "appreciation" ruble according Soviet propaganda claims were made possible by improved economic position USSR.[2] Ruble now based gold in preference "less stable" dollar. By same token, Politburo members in recent campaign speeches (see *inter alia* Embtel 821, March 11 [3]) made much of "concrete evidence" demonstrating upsurge Soviet economy compared capitalistic nations. Good quote supplied by Leontiev in *Pravda* (Embtel 970, March 28 [3]) dealing with possibility peaceful coexistence two systems: "having conquered in single combat Fascist aggressors Soviet Union quickly reestablished its economy and is confidently proceeding along path new mighty upsurge its forces. Never has Soviet Union been so mighty and strong as at present".

Pertinent to inquire of Soviets why, if their economy now so strong, they cannot repay promptly debt incurred in course their "single-handed" victory World War II. Such inquiry might well be made officially of Soviet Ambassador Washington and have particular reference still unsettled lend-lease account. As an ironic aside, it could be

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[1] This telegram was relayed on April 3 to London at 3:45 a. m. and to Paris at 5:00 a. m.

[2] About the revaluation of the ruble, alterations in the exchange rate, and the reduction of prices, see pp. 1113 ff.

[3] Not printed.

pointed out that Soviet indebtedness, formerly representing equivalent 5.3 billion rubles, at one quick stroke of pen reduced by 1.3 billion if Soviet claim that "purchasing power" dollar now 4 rubles is to be believed. This claim naturally flies in face all economic facts, being based in part upon untenable supposition that ruble has any international exchange value.

We harbor no illusion that this would result in swift opening Soviet billfold. Soviets will, of course, respond on usual line that it is not question Soviet inability to pay but "discrimination" as compared British settlement [4] that makes them refuse billion dollar figure. However approach would lend itself to salutary public deflation absurd Soviet claims, and would serve bring home once again fact Soviets still have not settled World War II obligation.

KIRK

[4] For documentation on the conclusion of the Financial Agreement and the Lend-Lease Settlement Agreement with the United Kingdom signed at Washington on December 6, 1945, see *Foreign Relations*, 1945, vol. VI, pp. 1–204. For the text of the Lend-Lease Settlement Agreement, see Department of State Treaties and Other International Acts Series (TIAS) No. 1509, or 60 Stat. (pt. 2) 1564.

711.54/5–550

Memorandum by the Assistant Secretary of State for Economic Affairs (Thorp) to the Under Secretary of State (Webb)

CONFIDENTIAL [WASHINGTON,] May 5, 1950.

Background

It will be recalled that, by agreement of September 27, 1949, the Soviet Union was to return to the United States not later than December 1, 1949, three icebreakers loaned to it by the Navy under the Lend-Lease Act. These vessels were to be returned at Bremerhaven, Germany. Subsequently, it was agreed that they would be returned at a port in northern Japan, in view of the unusually heavy ice conditions in the Arctic. On November 12, 1949,[1] this Government was informed by the Soviet Chargé d'Affaires that only one icebreaker, the *South Wind*, could be returned by December 1, the other two, the *North Wind* and the *West Wind*, being unable to break through the unusually heavy ice in the Arctic regions. The Soviet Government offered to return all three vessels at a northern Japanese port, the *South Wind* before December 1 and the *North Wind* and the *West Wind* in May or June 1950 or earlier if possible. As an alternative to delivery in Japan and in view of the original agreement the Soviet Government offered to return all three vessels at

[1] Memorandum of conversation, by Under Secretary of State James E. Webb, November 12, 1949; *Foreign Relations*, 1949, vol. V, p. 751.

Bremerhaven after piloting them through the Arctic from east to west during the 1950 navigation season.

On November 29, 1949, the Soviet Chargé d'Affaires was informed that the United States Government was prepared to accept the icebreaker the *South Wind* immediately in the port of Yokosuka, Japan.[2] With respect to the other two icebreakers, the Soviet Chargé was informed that the question of the port of delivery would be discussed later. Consequently, the *South Wind* was in fact returned to the port of Yokosuka, Japan.

The Department of the Navy has now informed the Department of State that it desires the two icebreakers the *North Wind* and the *West Wind* delivered in Bremerhaven, Germany, unless recovery in Yokosuka, Japan, would appreciably hasten repossession, in which case Yokosuka would be acceptable.[3]

The attached note which has been approved by the Department of the Navy requests delivery of the two vessels on or before June 30 at Bremerhaven or if this is impossible at Yokosuka, Japan at the earliest possible date in the May–June period specified by the Soviet Government.[4]

Recommendations

Your signature of the attached note to the Soviet Ambassador is recommended.

[2] Memorandum of conversation, by the Deputy Under Secretary of State, Dean Rusk, not printed; but see *Foreign Relations*, 1949, vol. v, footnote 1, p. 752.

[3] This information was contained in a memorandum of April 7, from the Assistant Chief of Naval Operations, Captain Howard E. Orem, to the Director of the Office of Eastern European Affairs, Charles W. Yost; not printed. (761.56/4–750)

[4] Note of May 8, 1950, from the Acting Secretary of State to the Ambassador of the Soviet Union, *infra*.

711.54/5–550

The Acting Secretary of State to the Ambassador of the Soviet Union (Panyushkin)

WASHINGTON, May 8, 1950.

EXCELLENCY: I have the honor to refer to the "Agreement on Dates and Procedures for Return of Three Icebreakers and Twenty-Seven Frigates of the United States Navy Received by the Union of Soviet Socialist Republics Under the Lend-Lease Act", and to my conversation of November 12, 1949 with the Soviet Chargé d'Affaires, Mr. Bazykin.

It will be recalled that by the Agreement of September 27, 1949, the Soviet Union was to return the three icebreakers, the *North Wind*, the *South Wind* and the *West Wind*, to the United States at the port of Bremerhaven, Germany, not later than December 1, 1949. On Novem-

ber 12, 1949, this Government was informed by the Soviet Chargé d'Affaires that only one icebreaker, the *South Wind*, could be returned by December 1, the other two, the *North Wind* and the *West Wind* being unable to break through the unusually heavy ice in the arctic regions. The Soviet Government offered to return the *South Wind* before December 1, and the *North Wind* and the *West Wind* at a port in northern Japan in May or June 1950, or earlier if possible. In view of the original agreement, the Soviet Government alternatively offered to return all three vessels at Bremerhaven.

On November 29, 1949,[1] the Soviet Chargé d'Affaires was informed that the United States Government was prepared to accept the icebreaker the *South Wind* immediately in the port of Yokosuka, Japan. With respect to the other two icebreakers, this Government reserved its position until nearer the time when the two icebreakers could be delivered. Subsequently, the *South Wind* was in fact returned to the port of Yokosuka, Japan.

The Government of the United States now wishes to express its desire that the two icebreakers, the *North Wind* and the *West Wind*, be returned at Bremerhaven, Germany, on or before June 30, 1950. If in the view of your Government, however, it would not be possible to effect delivery of the vessels at the port of Bremerhaven on or before the date of June 30 specified above, the Government of the United States will accept their return at the port of Yokosuka, Japan at the earliest possible date in the May–June period in accordance with the alternative offer of your Government made by Mr. Bazykin on November 12, 1949. My Government will appreciate being informed at the earliest moment as to the date and port at which the delivery will be effected.

It is the understanding of this Government that the procedure for return as established by the Agreement of September 27, 1949 will apply to the delivery of these two vessels.

Accept [etc.] JAMES E. WEBB

[1] Memorandum of conversation, by the Deputy Under Secretary of State, Dean Rusk, not printed; but see *Foreign Relations*, 1949, vol. v, footnote 1, p. 752. In a conversation with Mr. Rusk on December 6, the Chargé Vladimir Ivanovich Bazykin gave notice that "the Soviet authorities would be able to return the *South Wind* at the port of Yokosuka not later than December 25." (811.33/12-649)

861.131/5-1350

The Ambassador in the Soviet Union (Kirk) to the Under Secretary of State (Webb)

CONFIDENTIAL Moscow, May 13, 1950.

DEAR JIM: I have been trying to figure out some way to defeat the Soviets in their unilateral stand on the ruble-rate. We here in

Moscow cannot get rubles except through the Disbursing Officer, who must draw on the Soviet State Bank, using U.S. Treasury checks. The Treasury is now forced to accept six rubles for one dollar, and on 1 July 1950 must accept only four rubles for one dollar. The Soviets could always change again whenever they liked—say to 2 to 1:

We need a lot of rubles to run the Embassy, and we all here need rubles for our housekeeping and personal expenses. It is tough now, and will be serious by 1 July.

I have made one suggestion to the Department, namely, that we might accept a flock of rubles in addition to dollars, in settlement of the Lend-Lease Account owed us. There are many angles to such a settlement, but we might get somewhere with the Soviets, if we took a good slice of rubles. It would be necessary to have an understanding with our Treasury that such rubles were to be made available to the Department to defray costs here—and many angles to that, too.

Whatever scheme, if any, works out, I would strongly recommend we very selfishly insist it be reserved solely for the U.S. We ought not to get soft and intimate we would help out other friendly nations stuck with this same problem.

This suggestion may not stand up at all, but I mention it as evidence of my concern, and of our soul-searching over here.

Yours sincerely, ALAN G. KIRK

761.56/5-2550

Memorandum of Telephone Conversation, by the Acting Officer in Charge of Economic Affairs in the Office of Eastern European Affairs (Truesdell)

CONFIDENTIAL [WASHINGTON,] May 25, 1950.

Commander Davis [1] called this morning to inquire whether or not the Department had received a reply from the Soviet Government to this Government's note of May 8, 1950 in which we requested the return of the icebreakers *North Wind* and *West Wind* at Bremerhaven, Germany by June 30, 1950 or this being impossible at Yokosuka, Japan by that date. I advised Commander Davis that the reply had not yet been received but that it was expected that the Soviet Chargé would be called in early next week if a reply has not been received by that date.

I brought to Commander Davis's attention the letter from the Secretary of the Navy [2] of October 10, 1949 in which he stated the "desire

[1] Commander Jack C. Davis was a representative of the Navy Department as an expert participating in discussions about lend-lease naval vessels and arrangements for their return by the Soviet Union.

[2] Secretary of the Navy Francis P. Matthews.

of the Department of the Navy, which is concurred in by the Secretary of Defense,[3] that the presently anticipated resumption of negotiations on US–USSR lend-lease problems be entered into with the intent of dispossessing the Soviet Government of all operable U.S. Naval vessels in their custody". I advised Commander Davis that it is the present intention of the Department to proceed, first by pressing for the return of the 186 Naval craft demanded with the icebreakers and frigates in our note of October 12, 1948 at the same time pressing as rapidly as possible for an over-all lend-lease settlement carrying the matter to the highest level if necessary. I said that to demand all of the craft at the present time, in the face of our offer to sell, would undoubtedly not only jeopardize the return of any further lend-lease naval craft but would also jeopardize the U.S. position in the over-all settlement. After some discussion, Commander Davis expressed his agreement to the course of action outlined above and stated that he had recently submitted a comprehensive memorandum to Admiral Sherman [4] on the present status of the Soviet lend-lease matter in which he had advised that it was the Navy's expectations that the Department would attempt to obtain the return of the 186 vessels prior to disclosing our intentions with respect to the remaining 242. In this memorandum to Admiral Sherman, Commander Davis pointed out that a request by the Department for the return of all of these vessels at this time would undoubtedly jeopardize the negotiations.

I advised Commander Davis that as result of the conversation and clarification of the Navy views in the matter that unless he heard from me to the contrary, the Department would proceed along the lines indicated above.

G[EORGE] E. T[RUESDELL]

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[3] Louis A. Johnson.
[4] Admiral Forrest P. Sherman, Chief of Naval Operations.

761.56/5–3150

Memorandum of Conversation, by the Under Secretary of State (Webb)

[WASHINGTON,] May 31, 1950.

Mr. Bazykin called at his own request and stated that in connection with the Department's note of May 8, 1950 he had to inform me on the instructions of the Soviet Government that the icebreakers "North Wind" and "West Wind" could be delivered in the port of Bremerhaven in November–December of 1950. Unusually heavy ice conditions in the Arctic made it impossible to deliver these ice breakers at the previously specified time. The icebreakers were squeezed now in solid

jammed Arctic ice. Abnormal and exceptionally heavy ice conditions in which these icebreakers found themselves in the winter of 1949–1950 had not yet improved and the icebreakers, being squeezed in solid, jammed Arctic ice, were drifting westward. According to the available weather forecasts, the ice conditions in the Arctic in 1950 would be very heavy and therefore it was practically impossible to state at the present time the exact date and the place where the icebreakers would be able to break through the heavy ice. According to the same forecasts, the most favorable conditions which would enable the icebreakers to break through the ice into open waters were expected in 1950 to be at the end of September or in October. It was because of these very circumstances that the icebreakers could be delivered in the port of Bremerhaven in November or December.

I told Mr. Bazykin that the interested American authorities would be very disappointed at this information since they had counted on receiving these ships in time to make use of them during the coming summer season. I told him that we would want to be kept informed regarding the progress of the vessels so that in the event they got free of the ice earlier than predicted we could make appropriate provisions for their reception. Mr. Bazykin said he would of course be glad to do so and that one could not exclude the possibility that they might become available earlier than predicted. In reply to the question as to the present location of the icebreakers, Mr. Bazykin said that he was uninformed.

JAMES E. WEBB

761.56/4–1050

The Secretary of State to the Embassy in the Soviet Union

CONFIDENTIAL WASHINGTON, June 6, 1950—6 p. m.

488. Urtels nr 1019 and 1238 dated Apr 3, Apr 10 [*27*],[1] Dept considers inadvisable use Sov claims economic advance, e.g. ruble appreciation etc., as basis lend-lease approach since might result dignifying such claims. Now plan further approach here suggesting renewed negots on basis of constructive offer by Soviets. Assuming Soviets make such an offer may be able reach agreement by accepting quantity rubles Moscow Mission use. Shld stalemate continue contemplate approaches Moscow.

ACHESON

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[1] Latter telegram not printed.

761.56/6-750

Memorandum by the Assistant Secretary of State for Economic Affairs (Thorp) to the Under Secretary of State (Webb)

SECRET [WASHINGTON,] June 7, 1950.

Lend-lease settlement discussions with the Soviet Union began in April, 1947 and, although some progress has been made, the major issues remain unresolved. While there is reason to question the serious intention of the Soviet Government to conclude a mutually satisfactory agreement, it is felt that we should again attempt to reach agreement, carrying the matter to Vishinsky [1] and possibly to Stalin [2] in Moscow if our efforts with the Ambassador here in Washington should fail. Should the two sides reach a point closer to a settlement than is the case at present, the deadlock might be broken by our offer to accept a substantial amount of the over-all settlement in rubles rather than dollars.

A detailed statement of specific points and proposed action is attached together with two proposed notes, one on patents and one proposing resumption of negotiations in Washington on or before July 15.

Recommendation:

Signature of the attached notes is recommended.[3]

[Enclosure]

Statement of USSR Lend-Lease Settlement Negotiations

SECRET [WASHINGTON,] June 7, 1950.

Lend-Lease settlement discussions with the Soviets began in April 1947 and, although some progress has been made, the two sides remain far apart on the major issues.

1. *Naval Craft*

Soviet obligations to return lend-lease articles determined by the President to be of use to the United States are clear and specific under Article V of the Master Lend-Lease Agreement. As a result of Soviet delays in returning 31 naval craft requested informally as early as July 1946 [4] (3 icebreakers) and January 1946 [*1948*] [5] (28 frigates), on October 7, 1948 a formal demand was made for the return of a total of 217 naval craft including the icebreakers and frigates. In our

[1] Andrey Yanuaryevich Vyshinsky was Minister of Foreign Affairs of the Soviet Union.

[2] Iosif Vissarionovich Stalin, Generalissimo, and Chairman of the Council of Ministers of the Soviet Union.

[3] Two notes to the Chargé of the Soviet Union, dated June 15, 1950, pp. 1299 and 1301.

[4] United States note of July 26, 1946, *Foreign Relations*, 1946, vol. VI, p. 852.

[5] United States note of January 23, 1948, *ibid.*, 1948, vol. IV, p. 956.

note of September 3, 1948,[6] we indicated our willingness to sell the remaining 242 naval craft to the USSR under surplus property procedures as part of a prompt over-all settlement. To date only twenty-seven frigates and one icebreaker have been returned. The two icebreakers which were not returned in accordance with the agreement of September 27, 1949 are reported by the Soviets to be caught in unusually heavy arctic ice and are not expected to break clear until October or November.

The Soviet naval experts, it was understood by the U.S., came to Washington last year to negotiate the return of all 217 naval craft requested as well as the terms of sale of the remaining vessels. Despite a personal request to the Soviet Ambassador on September 27, 1949 by Mr. Thorp that the experts discuss the other vessels, they immediately departed from Moscow after reaching agreement only as to the icebreakers and frigates. In view of the demand of the U.S. Government for the return of the remaining 186 vessels, we have declared the Soviet Government in default of its obligations under Article V of the Master Lend-Lease Agreement.

With respect to the request by the Department of the Navy that the remaining 242 naval craft in addition to the other 186 vessels be demanded from the Soviet Government, the Department takes the view that the Government of the United States cannot in good faith at the present stage of the negotiations ask for the return of the 242 Naval craft having already expressed its willingness in a note of September 3, 1948 to sell these vessels under surplus property procedures. While this Government made it clear that such sale was conditioned upon a prompt over-all settlement, and, therefore, would be justified in demanding their return in view of the failure to reach a prompt agreement, still it is felt that to demand the return of the 242 naval craft now would open the United States to a Soviet charge of bad faith and jeopardize for all time the possibility of receiving the 186 vessels previously demanded. This action also might well jeopardize any remaining possibility of an over-all settlement and give force to the Soviet position that the U.S. interpretation of Article V is unilateral and not consistent with the Master Agreement as a whole. It is felt that a demand for the return of the remaining 242 vessels should be considered only after every effort has been made on our part to reach an over-all settlement agreement.

2. *Merchant Vessels*

Tentative agreement has been reached to let the Soviet Government keep the 36 war-built liberty ships remaining in Soviet custody at U.S. prices and terms as set forth in the Merchant Ship Sales Act

[6] *Foreign Relations*, 1948, vol. IV, p. 1004.

of 1946,[7] with effective date of transfer of title retroactive to September 2, 1945. We have also tentatively agreed to the Soviet December 9, 1948 offer of $13 million cash for the old pre-war-built merchant vessels. Our agreement to sell both categories of vessels has, however, since the outset, been conditioned upon a prompt satisfactory over-all settlement.

It should be noted that since the end of the war, the Soviets have used the above vessels without any payment for their use. Furthermore, it is felt in some quarters that these vessels are being operated in competition with the U.S. Merchant Marine. It is thus apparent that unless some serious effort is made to rectify this situation by forcing the settlement negotiations to a speedy conclusion and either obtaining payment for the vessels or demanding their return, the Department will be particularly vulnerable to criticism from Congressional and other sources.

The United States has refused to settle for these vessels with the Soviet Government in the absence of an over-all settlement, being of the opinion that our recapture rights, which might be enforced in friendly ports or on the high seas, represented our only leverage (admittedly weak) in obtaining an over-all settlement. To accept payment for these vessels now, prior to agreement on the over-all settlement, would be a reversal of the previous United States position which might be construed by the Soviets as U.S. abandonment of its settlement attempts.

3. *Patents*

Soviet obligations to compensate United States firms for the use of their patented processes in the lend-lease oil refineries are also clearly and specifically set forth under Article IV of the Master Agreement.

Continued failure of the Soviets to arrive at settlements with the patent holders, their demands for new process information, their requests for royalty rates well below those applicable in the United States, and their refusal to conclude settlements with the patent holders except in conjunction with an over-all lend-lease settlement, prompted a formal demand by us in a note dated October 12, 1948.[8] We were heartened by the Soviet note of September 30, 1949 [9] on this matter which informed this Government of the readiness of the Soviet Government to continue negotiations with the interested United States firms. We were further heartened by the announcement of an agreement with Max B. Miller and Co., Inc. However, since the conclusion

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[7] Approved on March 8, 1946; 60 Stat. 41.

[8] *Foreign Relations*, 1948, vol. IV, p. 1016.

[9] Note No. 120, *ibid.*, 1949, vol. V, p. 745. There is a large quantity of correspondence on this subject between the United States Government and the companies involved on their attempts to obtain satisfactory settlements of their claims with the Soviet Union in the central files and Lot collections of the Department of State.

of this agreement, there have been no indications of Soviet efforts to conclude agreements with the other six patent holders; on the contrary, two firms have already entered suits against the Government of the United States having despaired of receiving compensation from the Soviet Government under Article IV of the Master Lend-Lease Agreement. We have taken the position therefore, that the Soviet Government must be considered also in default of its obligation under Article IV of the Master Lend-Lease Agreement.

In view of the fact that the Soviet Government in its note of September 30, 1948 [*1949*] dealing with patent matters expressed its willingness to negotiate with the interested firms independently of an over-all settlement, it is felt that this matter should be presented to the Soviets in an especially strong manner. It is felt that an approach to the Soviet Government on the question of patents should be made concurrently with an approach on other lend-lease matters but should be in a separate note to maintain our position as to the independence of this matter from the over-all settlement.

4. *Over-all amount to be paid by the USSR*

The U.S. proposals follow generally the principles of settlement already concluded with other lend-lease recipients. The U.S. asks no payment for any lend-lease assistance expended in the war effort, and asks no payment for "military type" articles which may remain in Soviet custody under the settlement. We ask payment only for the fair value of "civilian type" articles remaining in the USSR on V–J day, which have a peacetime utility to the Soviet economy. The depreciated landed cost of "civilian type" articles after wartime losses was estimated by the United States at $2,600 million and this figure was made known to the Soviets early in the negotiations. This estimate was made after repeated requests for an inventory from the Soviet Government went unanswered.

As our first step in the bargaining process we offered to accept $1,300 million for these articles. The Soviets in their note of December 9, 1948 increased their original offer of $170 million to $200 million. We replied in our note of August 8, 1949 reducing our proposal from $1,300 million to $1,000 million. While we have not yet finally determined the minimum sum acceptable, it is the consensus that an amount computed as nearly as possible in accordance with the principles of the British settlement, namely, $500–600 million would be practicable.

The Soviet Government, however, in its reply of September 30, 1949, failed to raise its offer and held to its previous position of $200 million as the over-all amount of compensation. We are prepared to further reduce our demand through give and take negotiation in good faith; however, Soviet default of its specific obligations under the Master Lend-Lease Agreement with respect to compensation of U.S.

patent holders under Article IV, and with regard to the return of 186 naval craft demanded by the U.S. under Article V, and, among other factors, the refusal of the Soviet Government to raise its offer from $200 million in the face of the U.S. reduction to $1 billion leads us to conclude that the Soviets have no serious intention of reaching an over-all settlement agreement of a type wholly satisfactory to the U.S. It is felt, however, that a settlement which dispossessed the Soviets of dollars and provided the U.S. Mission in Moscow with rubles would be more in the national interest than the theoretical propaganda value of this further example of Soviet faithlessness. Therefore, it is suggested that we advise the Soviet Government of our desire to resume negotiations on or before July 15, 1950 for purpose of reaching a mutually satisfactory settlement on the basis of a constructive offer to be made by the Soviet side. If the two sides should reach a point closer to a settlement than is the case at present, it is hoped that acceptance by the U.S. of a portion of the settlement in rubles in lieu of dollars may result in breaking the settlement deadlock.

Should our current effort be unsuccessful, it is felt that Ambassador Kirk could make an approach to Vishinsky on the matter and if unsuccessful in this quarter could then take advantage of Stalin's offer [10] and request his intervention in order that a settlement may be agreed upon.

5. *Credit terms*

Our position as to terms of payment are the standard lend-lease and war accounts settlement terms approved by the NAC: 2% interest accruing from July 1, 1946 payable July 1, 1947 and annually thereafter; principal payable in thirty annual installments of interest and principal beginning July 1, 1951. The Soviets disagree with the above proposed terms and request MFN treatment, i.e. the terms of the British Financial Agreement of 1946, specifically payment of principal in fifty annual installments beginning five years after the settlement agreement, with an annual interest rate of 2%, and with the accrual of interest also commencing five years after the conclusion of the agreement. The terms already offered by the U.S. are as favorable as those granted in any major lend-lease settlement except the British, which is part of an over-all Financial Agreement including a $3,750 million loan. We are prepared to stand on our present position that the terms offered are as favorable as those granted in any other settlement limited to Lend-Lease and war accounts. It might, however, be advisable to make concessions on the matter of credit terms, provided that permission can be obtained from the NAC.

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[10] See telegram 2057 from Moscow on August 16, 1949, *Foreign Relations*, 1949, vol. v, p. 725.

In this connection it is believed that the question of credit terms should not be raised at this time but that it be held as a bargaining point for serious negotiations should they materialize.

861.131/5–1350

The Under Secretary of State (Webb) to the Ambassador in the Soviet Union (Kirk)

CONFIDENTIAL INFORMAL WASHINGTON, June 12, 1950.

DEAR MR. AMBASSADOR: Thank you for your letter of May 13 with your suggestion of accepting Soviet rubles in partial settlement of the Lend-Lease Act. I have looked into the matter and find that the Department has been trying to work something out along this line. The background as I understand it from the responsible officers in the Department is as follows:

Throughout the Lend-Lease settlement negotiations with the Soviets the Department has kept in mind the possibility of obtaining rubles from the Soviet Government for use by the Embassy and its staff in Moscow, and this proposal was one of the nine [*eleven*] points of settlement presented to the Soviets on June 25, 1947.[1] The Soviet reply of December 16, 1947 [2] included an agreement "to examine the proposal for the delivery of the U.S.A. within the limits of a definitely agreed amount of Soviet currency for payment by the Government of the U.S.A. of services rendered by the Soviet Union to the Diplomatic Mission of the U.S.A. in the USSR, crediting the sum furnished in Soviet currency to the account of the dollar obligations of the USSR under the lend-lease settlement agreement". While, as stated in our note to the Soviet Ambassador on January 23, 1948,[3] we would not consider the Soviet Agreement as fully responsive to the proposal made by the U.S. side in this matter, it is the belief of the Department that if the settlement negotiations can be pushed over to a point where the two sides are more nearly in agreement as to the over-all amount of settlement it may be possible to break the deadlock at that point by agreeing to accept a sizeable amount of rubles in lieu of U.S. dollars.

The Department has for some time been considering a proposal to accept prior to an over-all settlement a certain amount of rubles to be credited to any Soviet dollar indebtedness that may be agreed upon if and when an over-all settlement is reached. However, having in mind the actions of the Soviet Government with respect to a similar

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[1] *Foreign Relations*, 1947, vol. IV, p. 696.
[2] Note No. 245 from the Embassy of the Soviet Union, *ibid.*, p. 715.
[3] *Ibid.*, 1948, vol. IV, p. 956.

situation, namely the Litvinov assignment [4] in connection with negotiations for compensation of American nationals for their property confiscated by the Soviet Government, it is our thought that it would be unwise to take any action at the present time along this line which might be used by the Soviets to infer that they have already made substantial payments to the U.S. for wartime lend-lease aid. The above reasoning on the surface seems far-fetched; however, in view of past experience it would seem to have considerable validity. Also we cannot lose sight of the possibility that acceptance by the U.S. of rubles in lieu of dollars may result in breaking a settlement deadlock if we are able to push the Soviets more nearly to a settlement in the immediate future.

In this connection the Department will be forwarding a note to the Soviet Embassy here in the immediate future. Should our current efforts be unsuccessful it is contemplated to take advantage of Stalin's offer to you and to request you to seek audience with him and ask his intervention in order that a settlement may be agreed upon.

Thank you again for your suggestion and for writing me with regard to it. We are always glad to receive your thoughts on any subject, and I know that you realize how often they prove of great value to us here in the Department.

Sincerely yours,

JAMES E. WEBB.

[4] Exchange of letters between President Franklin D. Roosevelt and the People's Commissar for Foreign Affairs of the Soviet Union Maxim Maximovich Litvinov, dated November 16, 1933, during the negotiations in Washington for the recognition by the United States of the Soviet Union, *Foreign Relations*, The Soviet Union, 1933–1939, pp. 35–36.

761.56/6–1550

The Secretary of State to the Chargé of the Soviet Union (Bazykin)

WASHINGTON, June 15, 1950.

SIR: I refer to your note of September 30, 1949 concerning the obligation of your Government to compensate United States patent holders under Article IV of the Master Lend-Lease Agreement of June 11, 1942, which was the subject of this Government's communications of October 12, 1948 and August 8, 1949.[1]

This Government finds it necessary again to remind the Soviet Government of its obligation, clearly stated in Article IV of the Master Lead-Lease Agreement which provides that the Soviet Government will take action or make the payments required to protect United States patent holders when requested to do so by the President of the United States. The request by the President was duly made known to your Government in this Government's note of October 12, 1948.

[1] *Foreign Relations*, 1949, vol. v, p. 721.

The Government of the United States has noted with satisfaction the Soviet note of September 30, 1949 which informed this Government of the readiness of the Soviet Government to continue negotiations with interested United States firms with respect to the compensation to be paid for the use of their patented processes in the Union of Soviet Socialist Republics.

In connection with the Statement in your note of September 30, 1949, however, that the Government of the United States has taken the position that agreements with the patent holders should not come into effect until a joint agreement was reached for the settlement of lend-lease accounts, it must be pointed out that this Government has at all times held to the position that under Article IV the Soviet Government was clearly obligated to reach agreements with United States patent holders immediately upon a request by the President of the United States.

The Government of the United States has also taken note of the conclusion of an agreement with Max B. Miller & Co., Inc. However, since the conclusion of this agreement there have been no indications of Soviet efforts to conclude agreements with the other six patent holders; quite to the contrary, two firms experiencing prolonged delay in receiving compensation from the Soviet Government under Article IV of the Master Lead-Lease Agreement, have resorted to the entry of suit against the Government of the United States in an effort to collect the compensation which they consider due them. It becomes necessary, therefore, to observe that the expressed intentions of the Soviet Government bear no correspondence to its acts. Until such time as the Government of the Union of Soviet Socialist Republics enters into serious negotiations with the remaining six United States patent holders and provides adequate compensation for their patented processes, there can be no alternative but to regard the Soviet Government in clear default of its obligation under Article IV of the Master Lend-Lease Agreement.

The Government of the United States cannot understand the reasons which have caused the Government of the Union of Soviet Socialist Republics to avoid compensating the six United States patent holders. It is, therefore, requested that the Soviet Government immediately make available to the Government of the United States a detailed statement of the reasons for the failure of the Government of the Union of Soviet Socialist Republics to meet its obligation under Article IV of the Agreement of June 11, 1942.

Accept [etc.]

For the Secretary of State:

James E. Webb

761.56/6–1550

The Secretary of State to the Chargé of the Soviet Union (Bazykin)

WASHINGTON, June 15, 1950.

SIR: I refer to your note of September 30, 1949 concerning the settlement of the obligations of your Government under the Lend-Lease Agreement of June 11, 1942.

The Government of the United States has noted with satisfaction the return to United States custody of twenty-seven frigates and one icebreaker in accordance with Article V of the Master Lend-Lease Agreement and in keeping with the "Agreement on Dates and Procedures for Return of Three Icebreakers and Twenty-seven Frigates of the United States Navy received by the Union of Soviet Socialist Republics Under the Lend-Lease Act" of September 27, 1949.

Regarding the two icebreakers which were not returned to United States custody by December 1, 1949 in accordance with the agreement of September 27, 1949, and which the Soviet Government notified this Government on November 12, 1949 [1] would be returned in Germany or Japan by June 30, 1950, this Government wishes to express its regret that the Soviet Government now finds it impossible to deliver these vessels before November or December, 1950. It is expected that the Soviet Government will take all necessary measures to effect the return of these vessels at the earliest possible opportunity.

With repect to the other 186 Naval craft, return of which was formally requested by this Government on October 7, 1948 under Article V of the Master Lend-Lease Agreement, it was the understanding of the Government of the United States from your Government's note of December 9, 1948, that the Soviet Naval experts were appointed not only to arrange for the return of the icebreakers and frigates, but also to discuss the return of the other Naval craft requested by the United States as well as the disposition of the balance of the United States Naval craft remaining in Soviet custody. The Soviet Naval experts, however, returned to the Soviet Union without considering arrangements for the return of the other 186 Naval craft, despite Mr. Thorp's personal request to Ambassador Panyushkin that discussion continue as to the arrangements for the remaining vessels.

In view of the fact that the Soviet Government has not yet complied with the request of this Government for the return of these 186 vessels, the Government of the United States must, therefore, regard your Government in continued default of its obligation under Article V of the Master Lend-Lease Agreement. In order that this matter may be brought to an early conclusion, however, the Government of the

[1] See the memorandum of conversation, by Under Secretary of State Webb, *Foreign Relations*, 1949, vol. v, p. 751.

United States proposes the resumption of discussions by Naval experts of both Governments in Washington on or before July 15, 1950.

The question of patent matters is the subject of a separate note forwarded simultaneously herewith.[2]

With respect to the question of the return of the 186 Naval craft and the compensation of United States patent holders, this Government wishes to again point out that the obligation of the Government of the Union of Soviet Socialist Republics to return lend-lease articles is specifically set forth in Article V of the Agreement of June 11, 1942 and the obligation of the Government of the Union of Soviet Socialist Republics to compensate United States patent holders is similarly stated in Article IV of that agreement. It is expected, therefore, that the Government of the Union of Soviet Socialist Republics will take immediate action in order to remedy its defaults with respect to these matters.

As has been stated by the representatives of the Government of the United States repeatedly since the inception of negotiations in April 1947, the proposals of this Government regarding the over-all settlement follow the principles of settlements already concluded with other governments. No payment is asked for any lend-lease assistance expended in the war effort, nor is payment asked for "military type" articles which may remain in Soviet custody under the settlement. This Government asks payment only for the fair value of "civilian type" articles remaining in the Union of Soviet Socialist Republics at the war's end which have a peacetime value to the Soviet economy. The inventory of "civilian type" articles estimated by the Government of the United States as remaining in the Soviet Union for post-war use was valued at $2,600 million, and it must be emphasized that this represents not the original cost to this Government of all "civilian type" articles delivered to Soviet custody but the cost less depreciation of those articles estimated to remain after deduction of liberally estimated losses. It is thus of great significance that the Government of the United States does not ask full compensation for the peacetime value of these articles to the Soviet economy, but in the interest of a mutually satisfactory agreement offered to accept $1,300 million, and in an effort to reach a prompt agreement this Government further reduced its proposal to $1,000 million.

In contrast to these actions of the Government of the United States the Soviet Government has increased its offer only from $170 million to $200 million and has failed to make any further increase in its offer despite the action of the United States in materially reducing its proposal. The failure of the Soviet Government to date to increase its

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[2] *Supra.*

offer toward a reasonable amount has led this Government to question the seriousness of the expressed intention of the Soviet Government to reach a prompt and mutually satisfactory over-all settlement through negotiation. The Government of the United States wishes, however, to express its continued willingness to negotiate on the matter of an over-all settlement, and wishes to further express its readiness to give serious consideration to any constructive proposal which the Soviet Government may make toward reaching a prompt and reasonable settlement.

With respect to the comment in your note of September 30, 1949 which held that the credit terms of payment are discriminatory, this Government wishes to reiterate that the terms offered in its note of September 3, 1948, namely interest at 2% per annum accruing from July 1, 1946 and principal payable from July 1, 1946 in thirty annual installments beginning five years after July 1, 1946, are as favorable as those granted to any country in a settlement limited to lend-lease and war accounts. The question of credit terms, however, must be considered in relation to the over-all amount of settlement. It is suggested, therefore, that this matter might appropriately be held for discussion simultaneously with the question of the over-all amount.

The Government of the United States is of the opinion that, provided a fair and reasonable offer is made by the Soviet Government, there exists the basis for a prompt and mutually satisfactory settlement of the Soviet lead-lease account. On the assumption that it is the intention of the Soviet Government to make such an offer, the Government of the United States proposes that representatives of the Government of the Union of Soviet Socialist Republics and the Government of the United States meet in Washington on or before July 15, 1950, so that the question of a lend-lease settlement may be brought to a speedy and mutually satisfactory conclusion.

Accept [etc.] For the Secretary of State:

JAMES E. WEBB

761.56/6–3050

The Chargé of the Soviet Union (Bazykin) to the Secretary of State

[Translation]

No. 108 WASHINGTON, June 30, 1950.

SIR: Upon instruction of the Government of the Union of Soviet Socialist Republics, I have the honor to state that instructions have been given by the Soviet Government to carry out the regular (Fourth) payment to the Government of the United States of America of

interest according to the Agreement between the USSR and the USA of October 15, 1945.[1]

As has already been pointed out in the Soviet notes of July 4, 1947,[2] January 11, 1949,[3] and July 2, 1949,[4] the Government of the USA has violated its obligations under the Agreement between the USSR and the USA of October 15, 1945, having unilaterally discontinued shipments under it in January, 1947,[5] and is not fulfilling its obligations according to the Soviet-American Trade Agreement of 1937,[6] since it practices discrimination in relation to the USSR. In view of this, and as a result of the necessity of safe-guarding the interests of Soviet economic organizations, the following sums have been withheld from the regular payment of interest:

(*a*) 490,000 American Dollars comprising the interest on the value of the equipment which is incomplete as a result of the cessation of shipments under the Agreement of October 15, 1945 by the Government of the USA;

(*b*) 400,000 American Dollars as reserve for compensation of damages caused to Soviet economic organizations by the discriminatory actions of the Government of the USA in relation to the export to the USSR of equipment which was ordered prior to the introduction in 1948 of new regulations prohibiting the export of goods from the USA.

The Purchasing Commission of the Union of Soviet Socialist Republics in the USA can, in case of need, transmit the details relative to these damages.

The regular (Fourth) payment is calculated in the amount of 6,007,427 American Dollars including the interest for preceding years on the value of equipment, accounts for which had not been received on time. Deducting the withholdings set forth above, the amount for payment consists of 5,117,427 American Dollars.

Accept [etc.] V. Bazykin

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[1] For text of the agreement relating to the disposition of lend-lease supplies in inventory or procurement in the United States (the "pipeline" agreement) signed at Washington on October 15, 1945, see Department of State Treaties and Other International Acts Series (TIAS) No. 3662, or *United States and Other International Agreements* (UST), vol. 7 (pt. 7), p. 2819.

[2] Note No. 118, *Foreign Relations*, 1947, vol. iv, p. 702.

[3] Note No. 2, *ibid.*, 1949, vol. v, p. 690.

[4] Note No. 80, *ibid.*, p. 710.

[5] On the origins of the discontinuance of the shipments of materials to the Soviet Union which began in January 1947, see the documentation on lend-lease in *ibid.*, 1947, vol. iv, pp. 653 ff., and especially the memorandum of December 12, 1947, by Mr. Michael H. Cardozo of the Office of the Legal Adviser, *ibid.*, p. 713.

[6] For documentation on the conclusion of a commercial agreement between the United States and the Soviet Union on August 4, 1937, see *Foreign Relations*, The Soviet Union, 1933–1939, pp. 405 ff.

761.56/6-2050

The Deputy Under Secretary of State (Matthews) to the Secretary of the Navy (Matthews)

SECRET WASHINGTON, July 13, 1950.

MY DEAR MR. SECRETARY: Reference is made to your letter of June 20, 1950 [1] requesting information as to the arrangements which may have been made for further conversations with the Soviets on the matter of the return of U.S. lend-lease naval ships.

On September 27, 1949, at the conclusion of discussions as to arrangements for return of three icebreakers and twenty-seven frigates, the Soviet Ambassador was reminded of the Soviet note of December 9, 1948 and our understanding that discussions of naval experts should also resolve the questions of return of 186 other naval craft demanded in our note of October 7, 1948 and disposition of the remainder. Despite the fact that it was made clear to the Soviet Ambassador that the U.S. Government expected the negotiations to continue, the Soviet naval experts departed for the Soviet Union without explanation.

In a note of June 15, 1950 dealing among other things with the Soviet obligation to return lend-lease naval craft demanded by this Government, the Soviets were again reminded of their obligation under Article V of the Master Lend-Lease Agreement to return 186 naval craft demanded by the United States Government on October 7, 1948. The Soviets were informed that their apparent refusal to meet a clear obligation, as evidenced by the departure of Soviet naval experts after considering only the return of the icebreakers and frigates, constituted a default of their obligations under Article V of the Master Lend-Lease Agreement. However, as a solution to this problem, a proposal was made that naval experts of the two sides meet to discuss the procedure for the return of the 186 naval craft demanded on October 7, 1948 as well as the disposition of the remaining 242 vessels. Further negotiations of an over-all lend-lease settlement were also proposed for that date.[2]

It is of course impossible to predict the nature of the Soviet reply to this proposal. Should they accept by appointing naval experts to resume discussions, you may be assured that the Department of State will enter the discussions with the purpose of obtaining the maximum benefit to the national interest of the United States. Toward this end, keeping in mind your request of October 10, 1949, efforts will be made to dispossess the USSR of as many U.S. naval craft as may be possible in the light of this objective.

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[1] Not printed.
[2] July 15, 1950.

Acknowledgement is made of your letter of June 1, 1950 [3] informing the Department of State of the designation of Captain Theodore F. Ascherfeld as representative of the Navy Department in the discussions with the Soviet Union for the return of U.S. Lend-Lease vessels. Captain Ascherfeld will be kept informed of future developments as to negotiations with the USSR.

Sincerely yours, H. FREEMAN MATTHEWS

[3] Not printed. Captain Ascherfeld was designated as the replacement for Captain William O. Floyd. Together with Commander Jack C. Davis, they were to be the expert representatives of the Navy Department in any discussions which might occur in negotiations on "the question of detailed arrangements for return of U.S. Navy Lend Lease vessels" with the Soviet Union. (761.56/6-150)

961.53/7-2850

The Secretary of State to the Ambassador in the Soviet Union (Kirk)

CONFIDENTIAL WASHINGTON, July 28, 1950.

No. 12

SIR: Reference is made to the attached memorandum recommending that a request be made by you to the Soviet Government in Moscow for the return of two United States merchant vessels loaned to the Union of Soviet Socialist Republics during the war in lieu of equivalent tonnage of the Italian merchant fleet.[1] In accordance with this memorandum and subject to your concurrence, it is requested that you deliver a note along the following lines to the Soviet Foreign Office:

"Reference is made to discussions at the conference in Moscow on October 23, 1943,[2] and in Teheran in November 1943,[3] and to subsequent arrangements between our two governments, according to which the Government of the United States transferred to the Government of the USSR the United States merchant vessels the *John Langdon* and the *Charles Gordon Curtis*, renamed by your Government the *Tbilisi* and the *Sergei Kirov*. This transfer, it will be recalled, was accomplished in lieu of transfer of an equivalent tonnage of the

[1] Not printed. In this memorandum of July 26 from James C. H. Bonbright, Deputy Assistant Secretary of State for European Affairs, to Willard L. Thorp, Assistant Secretary of State for Economic Affairs, there is the following comment: "The transaction is not covered by the Soviet Master Lend-Lease Agreement although the two vessels were procured with lend-lease funds. The reasons for our failure so far to request the return of these two vessels are obscure but after study of the history of the matter it is believed that such a request should be made." The attachment to the memorandum of July 26 is printed as the attachment to this instruction.

[2] *Foreign Relations*, 1943, The Conferences at Cairo and Tehran, pp. 112 ff. Also, *Foreign Relations*, 1943, vol. I, pp. 513 ff.

[3] *Foreign Relations*, 1943, The Conferences at Cairo and Tehran, pp. 475 ff.

Italian merchant fleet, which was then operating as part of the Allied shipping pool, for the purpose of prosecuting the war against Germany to the best advantage.

"In view of the fact that the purpose for which these two vessels were loaned to the Soviet Union has long since ended, it is requested that the Soviet Government return to the United States at the earliest practicable date and not later than October 1, 1950, the United States merchant vessels the *John Langdon* and the *Charles Gordon Curtis* to one of the major ports in the continental United States.

"Your prompt advice as to the dates and ports of return of these vessels is requested." [4]

Very truly yours, For the Secretary of State:

WILLARD L. THORP

[Attachment]

Background Statement on Loan of Two United States Merchant Vessels to the USSR During the War in Lieu of Transfer of Equivalent Tonnage of the Italian Merchant Fleet

CONFIDENTIAL

At the Moscow Conference on October 23, 1943, the USSR requested a share in the surrendered Italian naval and merchant fleets. One month later, at Teheran, it was agreed that a total of 40,000 tons of Italian merchant shipping should be allocated to the USSR for use during the war with the question of official title to be discussed at the end of hostilities. Subsequent to this agreement, the U.S. and U.K. decided that the transfer of Italian ships, then operating under U.S.–U.K. command in the allied shipping pool, under the Cunningham–DeCourten Agreement of September 23, 1943,[5] would be harmful to the morale of Italian forces then fighting with the allies and an agreement was reached with the USSR to substitute temporarily equivalent amounts of British and American merchant tonnage.

Acting under orders from President Roosevelt, Admiral Leahy on February 10, 1944, transmitted to the War Shipping Administration a directive for the transfer to the USSR as the U.S. share, 20,000 tons

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[4] In telegram 382 from Moscow on August 11, 1950, Ambassador Kirk declared that this note was transmitted to the Foreign Ministry on that day. (961.53/8–1150) It was dated August 10 and was No. 135. A copy was enclosed in despatch 64 from Moscow on September 5. (961.53/9–550)

[5] "Memorandum of Agreement on Employment and Disposition of Italian Fleet and Mercantile Marine," concluded by Admiral Sir John Cunningham as Allied Naval Commander in Chief, Mediterranean, and the Italian Minister of Marine Admiral A. Rafaele De Courten, on September 23, 1943. For text, see Department of State Publication No. 2669, *United States and Italy, 1936–1946: Documentary Record* (Washington, Government Printing Office, 1946), p. 53, and Amendment signed November 17, 1943, p. 66. Also, Department of State Treaties and Other International Acts Series (TIAS) No. 1604, or 61 Stat. (pt. 3) 2766.

of merchant shipping for temporary use until such time as an equivalent amount of Italian merchant shipping could be made available. In April, 1944, the U.S. transferred the *SS John Langdon* and the *SS Charles Gordon Curtis* at Murmansk. The British also transferred 20,000 tons of merchant shipping in keeping with the agreement. While procurement of the two American vessels was authorized from lend-lease funds the Soviets refused to accept the vessels under the Master Lend-Lease Agreement and the transfer was effected by simple receipt. The British have reported that they made delivery of their two vessels also on the basis of a simple receipt. The Soviet Government has never accepted the U.S. position that the vessels came under the Master Lend-Lease Agreement and at a meeting with Soviet representatives in connection with over-all lend-lease settlement discussions in June 1947,[6] the U.S. acknowledged the validity of the Soviet position that the question of return of these vessels was outside the scope of lend-lease settlement negotiations and should be treated as a separate matter.

At the Paris meeting of the Council of Foreign Ministers in May–July, 1946,[7] the proposed terms of the Italian Peace Treaty and the subject of Italian merchant vessels as reparations to the Soviet Union were discussed, among other matters. The Soviet Union at the outset requested a total amount of $100 million as reparations from Italy, including reparations from future current production. While there was a tacit assumption on the part of the delegations that the sum of $100 million would be finally agreed upon (and in fact was, on July 4, 1946[8]), there was disagreement as to the composition of the reparations to make up the agreed total. The U.S. representatives proposed that the two Italian merchant vessels the *Saturnia* and the *Vulcania*[9] be included as reparations, among other Italian assets, the principal source of which was Italian assets in the Balkans, but the U.S. was not disposed as a matter of principle to include current production. Any deficit, the U.S. felt, should be made up from Italian vessels held by the U.S. and the U.K. and not from current production. The *Saturnia* and the *Vulcania*, having a gross tonnage of 24,500 each, at the time were being operated by the U.S. The Soviet Union rejected the two vessels and it was agreed by the Foreign Ministers that reparations should come from Italian assets in the Balkans and that any deficit should come from future current production including newly constructed merchant shipping.

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[6] See the Outline of the Main Points of Settlement Proposed by the U.S. Side, June 25, 1947, *Foreign Relations*, 1947, vol. IV, p. 696.

[7] For documentation on the sessions of the Council of Foreign Ministers at Paris between April 25 and July 12, 1946, see *ibid.*, 1946, vol. II, pp. 88 ff. and 493 ff.

[8] *Ibid.*, pp. 769–775.

[9] For some documentation about these vessels, see *ibid.*, pp. 403, 422, 478, and footnote 54, p. 779.

It should be noted that the proposal to include the *Saturnia* and the *Vulcania* as reparations was made merely as a result of a search for all possible potential sources of reparations. On the whole, the desire was to restore to Italian control as much of the Italian merchant fleet as feasible so as not to hamper unduly the Italian effort at economic reconstruction. At the London meeting of the Deputies earlier in the year the subject of the United States merchant vessels had come to the attention of the American delegation when the Navy asked them to consider the request for the return of the cruiser *Milwaukee*, which had also been loaned to the USSR as a result of the same decision at Teheran according to which the two merchant vessels were loaned to the Soviet Union. Upon learning of the fact that the *John Langdon* and the *Charles Gordon Curtis* were also still in Soviet hands, the American delegation briefly considered whether any action should be taken respecting these two vessels. The American delegation felt that the question of the disposition of the Italian merchant fleet should be treated as a separate matter from the question of the merchant vessels that had been loaned to the Soviet Union during the war. It was then decided to ask for the return of the *Milwaukee* [10] (which was, in fact, returned in early 1949) but to defer action respecting the two merchant vessels although the suggestion was put forward by people in the Department that they might be left in Soviet hands. In any event, the disposition of the Italian merchant fleet was finally settled without an active decision on the part of the United States Government respecting the disposition of the merchant vessels the *John Langdon* and *Charles Gordon Curtis*. The British Government, however, obviously tied these two matters together and later in July 1946 reiterated a previous request for the return of its two merchant vessels, which in fact were returned in September and October 1946 in conjunction with the transfer by the British to the USSR of several vessels seized from the Germans. The British, in requesting the return of the vessels, stated to the Soviet Government that the vessels were lent for the purpose of prosecuting the war and on the assumption that an allocation of merchant shipping would eventually be made to the Soviet Union from Italy, and that since the war was at an end and, moreover, the Soviet Government had relinquished their claim to any Italian merchant shipping at the Council of Foreign Ministers meeting, the vessels should be returned.

While the rejection by the Soviet Union of the two vessels the *Saturnia* and the *Vulcania* at the Council meeting may be interpreted as a broader renunciation of a claim to a share of then existing merchant shipping, there is also contained, in Article 80 of the Italian

[10] On the return of the cruiser *Milwaukee* (renamed the *Murmansk* while in the possession of the Soviet Union), see the editorial note, *Foreign Relations*, 1949, vol. v, p. 694.

Peace Treaty [11] (signed on February 10, 1947, entered into force on September 15, 1947), a statement that Articles 74 (reparations) and 70 (seizure of Italian property in Allied territory to satisfy claims) cover all Allied claims arising from the war attributable to Italy, with the exception of claims based on Articles 75 (restitution of articles removed from Allied territory) and 78 (restoration of United Nations property in Italy).

The question of the ultimate disposition of these two merchant vessels was again given brief consideration at the time of the lend-lease discusions with the USSR in mid-1947, when it was determined that the subject of the two ships transferred in 1944 should be excluded from the lend-lease discussions and treated as a separate matter. But whether to inform the Soviet Government that it could acquire the vessels under appropriate U.S. legislation or to request their return was never definitely determined.

In the above connection, it is to be noted that the second report of the Tripartite Merchant Marine Commission, completed two years ago,[12] recommended that certain additional German vessels be allocated to the USSR (other vessels being recommended for allocation to the U.S. and the U.K. and that others be retained in Germany). The Soviet Government has approved this report; the British and the U.S. Governments have not, preferring to retain in German hands or in their own hands some of those vessels which would be transferred to the USSR should the report be approved. The Soviet Government has several times inquired concerning our approval of the Second Report and no reply has been made other than that it is still under consideration. The latest inquiry, dated May 26, 1950, is being answered by the statement that the U.S. has not at this time approved the report. Recently, however, part of the U.S. and U.K. shares under the TMMC report have been turned over to IARA for allocation. The Soviet undistributed share is mostly being retained for use in Germany although several vessels remain in Norwegian and British custody.

It is believed that the U.S. Government should immediately request the Soviet Government to return the two merchant vessels immediately to ports in the continental U.S. In view of the U.S.–U.K. action in not approving the Second TMMC Report, however, the Soviet Gov-

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[11] For text, see Department of State Treaties and Other International Acts Series (TIAS) No. 1648. For the text of the Protocol on the Establishment of a Four-Power Naval Commission, the Disposal of Excess Units of the Italian Fleet, and the Return by the Soviet Union of Warships on Loan, signed by France, the Soviet Union, the United Kingdom, and the United States at Paris on February 10, 1947, see TIAS No. 1733, or 61 Stat. (pt. 4) 3846.

[12] The second report of the Tripartite Merchant Marine Commission for the allocation of the German merchant fleet of December 4, 1947, provided for a further allocation of German vessels and some other modifications of the initial report of the Commission of December 7, 1945. For this first report, see *Foreign Relations*, 1945, vol. III, pp. 1513–1519, and the bracketed note on p. 1521.

ernment may withhold return of these vessels until such time as they have received their share of German vessels recommended for allocation under this report.

Even though the Soviet Government may link the question of the German vessels to the return of the *John Langdon* and the *Charles Gordon Curtis*, it is not felt that this possible development should interfere with a U.S. request for the return of the vessels.

There is also the possibility that the Soviet Union may raise the point that the vessels should be retained as substitutes for Italian vessels which should be considered theirs as prizes of war. This issue, if raised, might involve the U.S. in lengthy legal arguments but in general could probably be answered by the fact that the Soviet Union neither seized nor held physical possession of the Italian vessels.

In view of the fact that arrangements for the transfer of the vessels were originally concluded in Moscow and to separate the matter of their return from the question of the return of the German vessels to the USSR and from other matters being handled in Washington, it is felt advisable that the request for return be made by Ambassador Kirk in Moscow.

761.56/8–450 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

SECRET Moscow, August 4, 1950—5 p. m.

301. Embtel 289, August 3.[1] Discussed with Gromyko for about 15 minutes matter of Soviet reply our notes 15 June lend lease negotiations, finding him well informed on background material but apparently not fully aware our proposed meeting 15 July. Regarding patent compensation he recalled Miller settlement but when I asked why other 6 were left unresolved for some 5 years he hedged on basis attitude patent holders not cooperative but finally shifted position saying that Soviet Embassy Washington had competence through experts under its authority. I said I hoped indeed these companies might be speedily compensated.

Re note 126 [2] Gromyko squirmed over delay in return ice breakers and 186 other types saying former stuck in icepack but good chance

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[1] In telegram 75 from Washington on July 26, not printed, Ambassador Alan G. Kirk had been requested to inquire when a reply to the two United States notes of June 15 could be expected from the Soviet Government. The Ambassador answered in telegram 289 from Moscow on August 3, not printed, that he had an appointment to see the Deputy Minister of Foreign Affairs Andrey Andreyevich Gromyko at 3 p. m., on the next day. (761.56/7–2650, 761.56/8–350)

[2] The reference is to the second note of June 15 sent to the Embassy of the Soviet Union. The note itself was not numbered.

getting clear later on this season and that latter were pretty old. My response was that returning small craft was not much of problem and that many of them could not really be classified as "overage".

We then turned to over-all settlement and he said our last note had contained no new offer. That I said was correct as we had scaled down from 2,600 to 1,300 to 1,000 million and a reasonable offer was now due from Soviets who had only raised from 175 to 200 million—figures which could hardly be called very substantial in view of total initial cost to US. He then produced familiar theme of less favored treatment which I said we felt was not the case, that we were suggesting very liberal credit in terms of length and interest rate 2 percent. I said this settlement had been hanging fire long while and was one matter on which 2 governments ought to reach solution and we had offered renew negotiations 15 July last. To this he replied time was too short (30 days) and that both our notes were being given careful consideration and would be answered in due course.[3]

KIRK

[3] Secretary of State Acheson responded in telegram 114 to Moscow on August 9, stating that the Department "believes your excellent presentation has laid ground well for future action." (761.56/8–450)

961.53/8–1550

Memorandum of Conversation, by the Acting Officer in Charge of Economic Affairs in the Office of Eastern European Affairs (Truesdell)

SECRET [WASHINGTON,] August 15, 1950.

Mr. Truesdell advised Mr. Morse [1] of the transmission to the Soviet Foreign Office on August 11 by Embassy Moscow of a note requesting the return to the United States of the U.S. merchant vessels the *John Langdon* and the *Charles Gordon Curtis* which were transferred to the Soviets under a special agreement relating to the disposition of the Italian fleet. Mr. Morse was given a copy of instruction No. 12 of July 28, 1950 to Ambassador Kirk in Moscow which contains the text of the note, also a copy of the statement concerning these two vessels which was forwarded as an attachment to the above mentioned instruction. Mr. Morse expressed his gratitude for this information and his pleasure that the matter had reached a conclusion. He said that as far as the Maritime Commission was concerned they considered these two vessels as being the responsibility of the Department of State as successor to the FEA and the Lend-Lease Administration. He said

[1] Huntington T. Morse was special assistant to the Administrator of the United States Maritime Administration, Department of Commerce. Dr. Lehman Patton Nickell, as adviser on shipping in the Shipping Policy Staff of the Office of Transport and Communications, was also present during the conversation.

that it was his understanding that these two vessels were, for Maritime Commission purposes, in the same category as other lend-lease vessels remaining in Soviet custody. Mr. Truesdell concurred with this view.

Mr. Morse was then asked certain specific questions concerning the possible return to the United States of the other 84 lend-lease merchant vessels still held by the Soviet Union. In connection with the possible usefulness of these vessels to the United States, Mr. Morse advised that at the present moment 2128 vessels are now in the United States Reserve Fleet, a large proportion of which are Liberty ships. He stated that 150 vessels, mainly Victories, had recently been withdrawn. He stated that the cost of placing a vessel in the Reserve Fleet amounted to $8 to $10,000. As to the usefulness of the pre-war built lend-lease vessels to the United States it was his opinion that these vessels would only serve a useful purpose in the United States as scrap and he mentioned the growing need for scrap in United States industries. He said that the war-built vessels and the Liberties would be of some use in the current merchant ship program. He advised that it would cost approximately $70 to $80,000 for the Maritime Commission to bring a ship back from a far eastern port but advised that the Maritime Commission would be in a position to bring them back if the Department of State made the arrangements with the Soviets for the return. It was his hope that the vessels could be returned to U.S. ports, if such were possible.

Comment was made by all concerned to the effect that merchant vessels in the hands of the Soviet Union would have little strategic value in the case of hostilities between the United States and the USSR. It was agreed, however, that these vessels undoubtedly were contributing to Soviet supply of North Korea.

Mr. Morse was advised that while the Department did not expect anything to materialize in connection with the return of the vessels in the near future, we were anxious to have the views of the Maritime Commission and the above information for possible future use.

G[EORGE] E. T[RUESDELL]

761.56/9-150

Memorandum of Conversation, by the Acting Officer in Charge of Economic Affairs in the Office of Eastern European Affairs (Truesdell)

[WASHINGTON,] September 1, 1950.

Captain Orem [1] called to give the Department advance notice of the use of two PF Frigates, returned by the USSR under the United

[1] Captain Howard E. Orem was the Assistant Chief of Naval Operations.

States-Soviet Master Lend-Lease Agreement, in the Korean conflict. He said that as a result of the conferences in the Far East between Admiral Sherman,[2] General Collins,[3] *et al*, it had been decided to utilize two of these frigates which were held by the U.S. Navy in Tokyo Bay to reinforce the South Korean Navy. He said that the ships would be manned by the South Koreans. He also stated that this action was taken as an emergency measure and it had not been possible to consult the State Department. The State Department, however, is being advised by letter. Captain Orem stated that it was realized that this might afford the Soviets some propaganda advantage. I thanked Captain Orem and told him that I would make this known in the Department.[4]

G[EORGE] E. T[RUESDELL]

[2] Adm. Forrest P. Sherman was the Chief of Naval Operations.
[3] General J. Lawton Collins was Chief of Staff of the United States Army.
[4] Captain Orem called again on September 14 to say that the Department of the Navy was instructing its Commandant in Tokyo to transfer the two frigates immediately to the government of the Republic of Korea by simple receipt. (761.56/9–1450)

961.53/9–450 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

CONFIDENTIAL Moscow, September 4, 1950—3 p. m.

605. Depinstr 12 July 28 and Embtel 392 [*382*] August 11.[1] Following full text Vishinsky note dated September 2 replying my note August 10 re return US merchant vessels.

"Re your note August 10 concerning request United States Government on return merchant ships *Tbilisi* (*John Langdon*) and *Sergei Kirov* (*Charles Gordon Curtis*) have honor communicate following.

"Verification conducted competent organizations established that one of subject ships, namely *Tbilisi*, torpedoed by enemy submarine in Barents Sea December 30, 1944 as result which ship broke up and bow sank. Consequently Soviet Government deprived possibility fulfill request Government USA return said ship.

"Concerning second ship *Sergei Kirov* it currently navigating in Arctic. Due special conditions navigation this area appears difficult at present determine time when this ship will complete current mission.

"Expressing readiness satisfy request Government United States America on return ship *Sergei Kirov*, Soviet Government considers

[1] Telegram 382 not printed, but see footnote 4, p. 1307. A copy of Vyshinsky's reply of September 2 was enclosed for the Department in despatch 64 from Moscow on September 5.

necessary recall Soviet Union till now has not received 13 ships from German merchant fleet due it according recommendations Tripartite Commission for allotment German merchant fleet of December 4, 1947.[2] As known, transfer to Soviet Union mentioned German ships unrealized because recommendations Tripartite Commission together with second report still unconfirmed by Governments United States, Great Britain. Soviet Government expresses hope Government United States will take measures in order confirm shortest time second report and recommendations Tripartite Commission for allotment German merchant fleet and thus transfer mentioned 13 ships German merchant fleet to Soviet Union be assured."

KIRK

[2] See footnote 12, p. 1310.

761.56/9–1950

The Under Secretary of State (Webb) to the Ambassador of the Soviet Union (Panyushkin)

[WASHINGTON,] September 19, 1950.

EXCELLENCY: I have the honor to refer to the "Agreement on Dates and Procedures for Return of Three Icebreakers and Twenty-Seven Frigates of the United States Navy Received by the Union of Soviet Socialist Republics Under the Lend-Lease Act" dated September 27, 1949 and to past correspondence and conversations between our Governments concerning two icebreakers of the United States Navy which were leased to your Government under the Lend-Lease Act.

Particular reference is made to my conversation of May 31, 1950 with the Soviet Chargé Mr. Bazykin in which Mr. Bazykin stated that the Soviet Government could not return the icebreakers *North Wind* and *West Wind* by June 1950, as was previously promised by the Soviet Government. Mr. Bazykin explained that the two icebreakers remained caught in the ice and were drifting westward. It was further stated by Mr. Bazykin that these craft were expected to break out of the ice in late September or early October and would be delivered in the port of Bremerhaven in November or December of this year. Mr. Bazykin agreed that the Soviet Government would keep the Government of the United States informed as to the progress of the vessels.

The Government of the United States now requests the Soviet Government to provide information as to the progress of the two vessels in freeing themselves from the ice pack and requests that the Soviet Government advise the Government of the United States

at the earliest possible moment of the date when the delivery of the two icebreakers will be effected at Bremerhaven, Germany.[1]

Accept [etc.] JAMES E. WEBB

[1] In a memorandum of September 14 the Assistant Secretary of State for Economic Affairs Willard L. Thorp recapitulated the background of the efforts by the United States to obtain the return of the two icebreakers by the Soviet Union. He recommended the signature of this note by Under Secretary of State James E. Webb, and included this further observation in the memorandum: "The Department of the Navy is extremely anxious to repossess these craft and has requested that the Department of State continue to press for their return. It is believed advisable at this time to request the Soviet Government to report on the progress of the icebreakers in freeing themselves from the ice pack. This would serve as a reminder to the Soviets of our continuing interest in obtaining the return of these craft and would be in line with the request of the Department of the Navy." (761.56/9–1450)

761.56/10–2450 : Telegram

The Secretary of State to the Embassy in the Soviet Union

CONFIDENTIAL WASHINGTON, October 24, 1950—6 p. m.

270. Re two notes to Sov Emb June 15 (encls 14, 15 Instr 52 June 22[1]) and Ambs conversation with Gromyko (Emb Tel 75 [*301*] Aug 4) Re lend-lease settlement negots.

No replies to June 15 notes. In accord with view in Thorp's memo to Webb June 7[2] (encl 17 Instr 52) i.e. we shld continue press Sov Govt lend-lease obligations, Dept feels fol up now appropriate to Gromyko along fol lines:

"Re our conversation Aug 4 and two notes transmitted by US Govt to Sov Emb in Washington June 15 Re the obligations of USSR Govt arising from Master Lend-Lease Agreement of June 11, 1942.

"You will recall my Govt in note of June 15 made certain proposals in effort to bring these protracted lend-lease negots to speedy and mutually satis conclusion. Specifically proposed that reps of our two Govts resume discussions in Washington on or before July 15 on basis of fair and reasonable offer to be made by Sov Govt. Further proposed that naval experts meet concurrently to discuss procedures for return of 186 naval vessels, return of which formally requested by my Govt as long ago as Oct 7, 1948, as well as the disposition of remaining naval craft and merchant vessels in custody of Sov Govt.

"Re patent matter which was subj second June 15 Note US Govt fails to understand contd refusal by Sov Govt to honor obligation. View your statement Sov Emb Washington had competence through experts under its auth US Govt requests Sov Govt to immed instruct Sov Emb Washington make compensation settlement with remaining six patent holders without further delay.

[1] Instruction not printed. Enclosures 14 and 15 were the texts of the two notes of June 15 sent to the Embassy of the Soviet Union.

[2] *Ante*, p. 1293.

"In course our conversation Aug 4 you stated not sufficient time allowed for proposed resumption negots, but that my Govt's notes June 15 being considered and replies wld be made in due course.

"Over two months elapsed since our last conversation without replies from Sov Govt to our June 15 notes having been recd by my Govt. View of undeniable obligation of Sov Govt re compensation of US patent holders, return of 186 naval vessels and over-all settlement of Lend-Lease account US Govt request prompt replies to notes of June 15."

ACHESON

761.56/11-150

The Chargé of the Soviet Union (Bazykin) to the Under Secretary of State (Webb)

[Translation]

No. 162 WASHINGTON, November 1, 1950.

SIR: With reference to your note of September 19 concerning the question of the icebreakers "North Wind" and "West Wind," I have the honor to communicate the following.

The Embassy of the USSR on May 31 of this year already informed the State Department of the existence of unusually severe ice conditions in the Arctic this year and that the icebreakers "North Wind" and "West Wind" were caught in solid Arctic ice. According to our present information, the icebreakers have not yet gotten out of the icefield into clear water because both have damaged screws. In view of this, unfortunately, it is not yet possible to specify a date for delivery of the icebreakers at Bremerhaven.

In the event that the position of the icebreakers improves, the Embassy will so inform the State Department.

Accept [etc.] V. BAZYKIN

761.56/11-350 : Telegram

The Ambassador in the Soviet Union (Kirk) to the Secretary of State

CONFIDENTIAL Moscow, November 3, 1950—6 p. m.[1]

966. Spent twenty minutes with Gromyko after lunch today on question lend lease settlement (Deptel 270 October 24), first outlining our current note number 195 (Embtel 947, October 31 [2]) and then more

[1] A note on this telegram stated: "Message delayed in transmission." It was received on November 5, 1950, at 10:43 a. m.

[2] In the reply made by Ambassador Kirk in this telegram, not printed, he stated that he would ask to see Gromyko later in the week in order to deliver the note, and he included a few minor changes of wording which he would make in the text. (761.56/10-3150)

general comments. His opening reply was as usual that matter was under study and that various aspects (naval vessels, patent fees, overall settlement) would be combined in their reply. He remarked their chargé in Washington had recently presented information on ice breakers (which was news to me).[3]

We had a straight-forward unruffled talk with one or two exchanges such as his counter to my dwelling on three month marking time since our last talk on 4 August, by saying US Government once allowed nine months to pass without action, and I rejoined I hoped we were not embarked on a program of matching delays day for day. When I insisted it was high time we got on with the general settlement Gromyko remarked we had made no new offer and I said that when a debtor wanted his liability reduced it was his move to make the offer. But Gromyko replied "not always."

Then I said we had already scaled down from 11 to 1 billions, which in fact was exactly the sum President Roosevelt had initially named to Mr. Stalin just prior to implementation of lend lease.[4] Gromyko said that was not the whole story and we would receive a comprehensive reply in due course.

My endeavor to elicit something explicit on compensation to patent holders likewise met merely statement that all cases would be covered in Soviet Government reply.

On leaving I remarked that if any value placed upon creating favorable impression in this matter with American people something needed to be done and pretty soon. Gromyko smiled and said "All in good time."

On departing, I left him the note.[5]

KIRK

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[3] Note No. 162 of November 1 from Chargé Bazykin, *supra*. The Department of State advised the Embassy in the Soviet Union in telegram 321 sent on November 8 of the substance of this note and that the text of it would be forwarded to the Embassy. (761.56/11-850)

[4] Regarding the first loan of one billion dollars arranged between President Roosevelt and Iosif Vissarionovich Stalin, Chairman of the Council of People's Commissars, in 1941, see *Foreign Relations*, 1941, vol. I, pp. 851–852, 855, 857, and also 654–655. For the second loan of one billion dollars in 1942, see *ibid.*, 1942, vol. III, pp. 690–694, 708. Also see the exchange of notes between Secretary of State Cordell Hull and the Ambassador of the Soviet Union Maxim Maximovich Litvinov on June 11, 1942, at the time of signing the Lend-Lease Agreement, whereby these two prior arrangements were considered as being replaced and rendered inoperative, together with a statement by the Department of State issued to the press on June 12; Department of State *Bulletin*, June 13, 1942, pp. 531–535.

[5] The verbatim text of this note No. 195 as delivered was sent to the Department of State in telegram 1488 from Moscow on February 9, 1951, not printed (761.56/2-951). For the press release of November 7, 1950 concerning Ambassador Kirk's two meetings with Gromyko on August 4 and November 3, see Department of State *Bulletin*, November 20, 1950, pp. 817–818.

761.56/11-2150

The Acting Secretary of the Navy (Kimball) to the Secretary of State

SECRET WASHINGTON, 21 November 1950.

MY DEAR MR. SECRETARY: The U.S.S.R., as you know, agreed in writing on 27 September 1949, to return the three U.S. icebreakers acquired under the U.S. lend lease program in 1944/45, to Bremerhaven, Germany during October and November 1949. However only one was recovered in December 1949 at Yokosuka, Japan, as the U.S.S.R. advised by note of 12 November that delivery of the others would be deferred until May–June 1950 since they had "not yet succeeded in breaking through the heavy ice of the Arctic which fact renders impossible the transfer of these two icebreakers during the current year." The U.S.S.R. reply of 31 May 1950, to a U.S. note requesting prompt return of the two vessels to Bremerhaven, stated that these ships were now squeezed in "solid jammed Arctic ice" and could not be delivered before November or December 1950.

I am now in receipt of a copy of the U.S.S.R. note of 1 November 1950 in which it is stated, *inter alia*, "According to our present information, the icebreakers have not yet gotten out of the ice field into clear water because both have damaged screws. In view of this, unfortunately, it is not yet possible to specify a date for delivery of the icebreakers at Bremerhaven."

It is my opinion that U.S. recovery of these vessels in the near future is doubtful without a distinctly different reply to the U.S.S.R. "excuses," hence I propose that the Department of State continue its efforts toward recovery of the icebreakers and now make representations to the U.S.S.R. that, in order to facilitate consideration of possible acceptance of these vessels in their present condition and location, information is desired as to their whereabouts. The U.S. will at least derive some propaganda value from U.S.S.R. refusal to so advise this government, whereas if the information is forthcoming and acceptance accordingly consummated, such action would remove ships from Soviet custody and could provide valuable intelligence information.

Sincerely yours, DAN A. KIMBALL

761.56/11-2450

The Chargé of the Soviet Union (Bazykin) to the Under Secretary of State (Webb)

[Translation]

No. 175 WASHINGTON, November 24, 1950.

SIR: With reference to the notes of the United States Government of June 15, 1950, concerning settlement of Lend Lease accounts, which

notes were in reply to the Soviet Government's notes of September 30, 1949, I have the honor to communicate the following on instructions from the Government of the USSR.

(1) The Government of the USSR, as has been stated previously, desires the earliest possible agreement with the United States Government concerning a full and final settlement of Lend Lease accounts and has sent its representatives to Washington repeatedly to hold negotiations with representatives of the United States. Precisely because it is guided by a desire to reach agreement, the Soviet Government in the course of discussion made substantial concessions and put forward a series of constructive proposals creating the possibility of a successful conclusion of the negotiations for the settlement of Lend Lease accounts. The Soviet Government, therefore, rejects as devoid of all foundation the attempts of the United States Government to cast doubt on the seriousness of the Soviet Government's intentions to achieve a rapid and mutually satisfactory general settlement of Lend Lease accounts.

The Soviet Government's proposals concerning the fixing of an over-all sum of reimbursement in the amount of $200,000,000 and concerning the conditions for the payment of this sum, contained in the USSR Government's notes of December 9, 1948 and September 30, 1949, are in close conformity with existing precedents set in the settlement of United States Lend Lease accounts with other countries. Desiring to expedite reaching full agreement, the Soviet Government declares its readiness to increase the over-all amount of compensation to $240,000,000, considering this sum the maximum, inasmuch as this sum will fully conform with existing precedents.

The Government of the USSR expresses its agreement that representatives of the two governments should begin negotiations in Washington for the purpose of reaching final agreement on all related questions. The Soviet representatives will be prepared to commence such negotiations on December 20 of this year, if this date is acceptable to the Government of the United States.

(2) Desiring to settle fully the question of the naval vessels received by the Soviet Union under Lend Lease, the Government of the USSR agrees to the resumption of talks by naval experts in Washington, proceeding on the basis that these experts will discuss conditions of the sale of these naval vessels to the Soviet Union, concerning which the United States Government has previously expressed its agreement. The negotiations of the naval experts can be begun simultaneously with the general negotiations on the settlement of Lend Lease accounts.

(3) As concerns the question of negotiations with American companies—patent-holders—the willingness of the USSR Purchasing Commission in the United States to negotiate with all interested companies has been made known repeatedly to the United States Govern-

ment, particularly in the Soviet Government's note of September 30, 1949. As is known, as a result of the Purchasing Commission's negotiations with the firm of M. Miller, on February 15 of this year, an agreement was signed with this firm concerning compensation for the use of its patents, and on June 1 the Purchasing Commission made its first payment in accordance with the conditions of the agreement. At the present time the Purchasing Commission is conducting negotiations concerning compensation with the firms "Universal Oil Products"[1] and "Texaco."[2]

The Stratford company,[3] with which the amount of compensation and certain other conditions has already been agreed, has preferred to decline further talks, referring in its letter of January 30, 1950, addressed to the Purchasing Commission, to the fact that it has been negotiating for some time with United States authorities concerning the question of compensation and, therefore, cannot resume negotiations with the Purchasing Commission. In the light of these facts, the Government of the USSR must also reject as devoid of all foundation the assertion in the notes of June 15, 1950 that the Soviet Union allegedly is not fulfilling its obligations under Article 4 of the Agreement of June 11, 1942, which provides a guarantee of the rights of patent-holders.

The Soviet Purchasing Commission in the United States is ready, as it has been, to continue negotiations with all interested companies to conclude with them agreements similar to that concluded with the M. Miller Company.

Accept [etc.][4] V. Bazykin

[1] Universal Oil Products Company, 310 South Michigan Avenue, Chicago 4, Illinois.

[2] Texaco Development Corporation, 135 East 42d Street, New York 17, N.Y.

[3] Stratford Development Corporation, 1414 Dierks Building, Kansas City 6, Missouri.

[4] A summary of the contents of this note was sent for the information of the Embassy in the Soviet Union in telegram 367 on November 27, with the full text to follow. (761.56/11-2750)

761.56/11-3050

Memorandum of Conversation, by Mr. Julius L. Katz of the Office of Eastern European Affairs

CONFIDENTIAL [Washington,] November 30, 1950.

Captain Asherfeld and Commander Davis called Mr. Truesdell this afternoon and in his absence I spoke with them. Captain Asherfeld stated that he had received a copy of the Soviet note of November 24 and was disturbed by the remark in the Soviet note to the effect that the Soviet Government agrees to a resumption of discus-

sions between naval experts on the condition that these experts discuss the *sale* of naval vessels to the Soviet Government. Captain Asherfeld and Commander Davis both emphasized that they were bound by a directive of the Secretary of Defense to demand the recall of all U.S. naval craft in Soviet custody.

I replied that I was aware of the tricky language in the Soviet note and was particularly aware of its failure to mention the return of the 186 naval craft we had demanded. I stated that I wasn't sure how we were going to handle the negotiations in view of our previous offer to sell 242 naval craft to the Soviets.

Captain Asherfeld stated that the situation had changed since our offer to sell in 1948 and that this Government presently needed some of the vessels we had previously offered to the Soviet Government, particularly the minesweepers.

I replied that while I could appreciate the position of the Department of the Navy, a demand for all of the naval vessels would not accomplish anything positive in the way of recapturing vessels and would be merely for the record. I further stated that I believed we had to decide whether the return of some vessels was better than none at all.

Commander Davis agreed that a demand for all would probably result in the return of none but again emphasized the directive of the Secretary of Defense.

Captain Asherfeld then stated that he would get up a list of naval craft in order of priority and that we might be able to work out something along this line.

It was agreed that we would discuss this matter further when the priority list was drawn up.

J[ULIUS] L. K[ATZ]

761.56/12-650

Statement of Specific Points at Issue in the United States-Soviet Union Lend-Lease Settlement Negotiations [1]

SECRET [WASHINGTON,] December 6, 1950.

1. OVER-ALL AMOUNT TO BE PAID BY THE USSR

Background

The United States proposals follow generally the principles of settlements already concluded with other lend-lease recipients. The United States asks no payment for any lend-lease assistance expended

[1] This statement, drafted by Mr. Julius L. Katz, was attached to a memorandum of December 8, from the Assistant Secretary of State for Economic Affairs Willard L. Thorp to the Under Secretary of State James E. Webb.

in the war effort, and asks no payment for "military type" articles which remain in Soviet Custody under the settlement. We ask payment only for the fair value of "civilian type" articles remaining in the USSR on V–J day, which have a peacetime utility to the Soviet economy. The depreciated landed cost of "civilian type" articles after wartime losses was estimated by the United States as $2,600 million and this figure was made known to the Soviets early in the negotiations. This estimate was made after repeated requests for an inventory from the Soviet Government went unanswered.

As our first step in the bargaining process, we offered to accept $1,300 million for these articles. The Soviets in their note of December 9, 1948 increased their original offer of $170 million to $200 million. We replied in our note of August 8, 1949 reducing our proposal from $1,300 million to $1,000 million. The Soviets have now increased their offer to $240 million.

While we have not yet finally determined the minimum sum acceptable, it is the consensus that an amount computed as nearly as possible in accordance with the principles of the British settlement, namely $500–600 million would be acceptable. This figure assumes that the settlement would be concluded on credit terms not more favorable than that granted to other major lend-lease recipients. We should, however, be prepared to accept less than $500–600 million if a cash settlement could be agreed upon.

Discussion

In response to our proposal that negotiations be resumed on the basis of a constructive offer to be made by the Soviet Government, that Government has now increased its offer for an over-all settlement from $200 million to what it states to be a maximum offer of $240 million and has agreed to resume negotiations in Washington on December 20 for the purpose of reaching full and final agreement on all questions related to this.[2]

From the wording of the Soviet note it appears doubtful that the Soviets intend to further negotiate the over-all amount to be paid. They are ready to negotiate merely "all questions related to this". It is presumed that the Soviets have in mind the terms of credit. Nevertheless it is believed that we should reply to the Soviet note stating that the Government of the United States agrees to the suggested date for the resumption of negotiations and although the United States

[2] With regard to the date for the resumption of the lend-lease negotiations the following comment is contained in Mr. Thorp's memorandum of December 8: "Although we take exception to several points in the Soviet note [of November 24], it is believed that we should express the continued willingness of this Government to resume negotiations. In view of the short time remaining before December 20, the date suggested in the Soviet note, and the need for several major policy decisions having a bearing on the position to be taken in the negotiations, it is suggested that the meetings begin on January 15 [1951]." (761.56/12–650)

Government considers the Soviet offer inadequate it agrees to resume negotiations with a view to agreeing upon a mutually acceptable settlement.

2. Naval Craft

Background

Soviet obligations to return lend-lease articles determined by the President to be of use to the United States are clear and specific under Article V of the Master Lend-Lease Agreement. As a result of Soviet delays in returning 31 naval craft requested as early as July 1946 (3 icebreakers) and January 1948 (28 frigates), on October 7, 1948 a formal demand was made for the return of a total of 217 naval craft including the icebreakers and frigates. In our note of September 3, 1948, we indicated our willingness to sell the remaining 242 naval craft to the USSR under surplus property procedures as part of a prompt over-all settlement.

To date only twenty-seven frigates (one certified as lost) and one icebreaker have been returned. The two icebreakers which were not returned in accordance with the agreement of September 27, 1949 are reported by the Soviets to have broken screws and caught in the Arctic ice pack.

With respect to the other 186 naval vessels demanded by this Government on October 7, 1948, the Soviet Government has consistently avoided its obligation to return these vessels as required by Article V. In our note of June 15, it was stated that the Soviet Government was in default of Article V but suggested that naval experts of the two Governments resume discussions in order that this question be brought to an early conclusion.

The Soviet note of November 24 makes no mention of the 186 naval vessels demanded by this Government, but merely states that the Soviet Government agrees to a resumption of talks between naval experts with the understanding that these experts will discuss the sale of naval vessels.

Discussion

Since the beginning of lend-lease settlement negotiations with the Soviet Government, the aim of the Department with respect to naval vessels has been to recapture from the Soviets as many vessels as possible. It was believed that by agreeing to sell some naval craft to the Soviet Union we would successfully obtain the return of the more important vessels. This position was taken with the concurrence of the Department of the Navy. The Navy, however, has reversed its previous position and now believes that we should demand the return of all naval craft in Soviet custody. It is argued that conditions have

changed greatly since 1948 when we offered to sell some naval vessels to the Soviet Union, and in fact some of the vessels we had offered for sale are now urgently required by this Government.

In addition to the attitude of the Department of the Navy, careful consideration should be given to probable reaction of public and Congressional opinion to a sale of naval vessels by the United States to the USSR at a time when relations between the two Governments are at their lowest point.

We are thus faced with very strong pressures to demand the return of all United States naval vessels in Soviet custody. It is to be recognized, however, that a demand for the return of all of the naval craft in the face of our previous offer to sell 242 of these craft would lay this Government open to a Soviet charge of bad faith and undoubtedly would not result in the return of any naval vessels.

The question we must decide is whether we want to make a further effort to obtain the return of certain vessels with the understanding that the Soviets are to retain the remainder, or whether we believe we must demand the return of all vessels in the knowledge that we probably will not obtain the return of any.

It is believed that this question will require a fundamental policy decision before negotiations are resumed. In the meantime we can immediately reply to the Soviet note of November 24 by refuting its contention that the meetings between naval experts should proceed on the basis that the experts will discuss the conditions of sale of naval vessels to the Soviets, and stating that we will be ready to resume discussions between naval experts to determine the disposition of vessels of the United States Navy leased to the Soviet Union during the war.

3. Patents

Background

Soviet obligations to compensate United States firms for the use of their patented processes in lend-lease oil refineries are clearly set forth under Article IV of the Master Lend-Lease Agreement.

Continued failure of the Soviets to arrive at settlements with the patent holders, their demands for new process information, their requests for royalty rates well below those applicable in the United States, and their refusal to conclude settlements with the patent holders except in conjunction with an over-all lend-lease settlement, prompted a formal demand by this Government in a note dated October 12, 1948.

After stating in its note of September 30, 1949 that it was ready to resume negotiations with all interested patent holders, the Soviet Government concluded an agreement with one of the seven interested firms,

Max B. Miller and Co. No progress was made in reaching agreements with the six other firms. Two of the firms, having despaired of receiving compensation from the Soviet Government entered suits against the Government of the United States.

In response to our note of June 15, 1950 requesting the Soviet Government to state the reasons for its failure to reach settlements with the remaining uncompensated patent holders, the Soviet note of November 24 states that it is ready, as it has been, to continue negotiations with interested American companies.

Discussion

In view of the resumption of negotiation between the Soviet Purchasing Commission in the United States and two patent holders, as stated in the Soviet note of November 24, it is believed that our present note should take notice of these negotiations and state that we expect the Soviet Government to compensate all claimant companies as required by Article IV of the Master Lend-Lease Agreement.

761.56/11-2450

The Secretary of State to the Chargé of the Soviet Union (Sokolov)

WASHINGTON, December 9, 1950.

SIR: I refer to Mr. Bazykin's note of November 24, 1950 concerning the obligations of your Government arising from the Master Lend-Lease Agreement of June 11, 1942.

The $240 million offer of your Government for an over-all settlement of its lend-lease account does not meet the United States Government's conception of a reasonable offer. The Government of the United States, however, in furtherance of its efforts to bring these protracted lend-lease negotiations to a prompt conclusion, continues willing to resume negotiations with a view to reaching a mutally acceptable settlement.

With regard to the question of naval vessels which were leased to the Soviet Government, the Government of the United States continues ready to resume discussions between naval experts in conjunction with the over-all settlement negotiations. However, in the note of November 24 it was stated that the Government of the Union of Soviet Socialist Republics agreed to the resumption of talks by naval experts in Washington, "proceeding on the basis that these experts will discuss the conditions of the sale of these naval vessels to the Soviet Union, concerning which the United States Government has previously expressed its agreement". It will be recalled that the Gov-

ernment of the United States, in its note dated September 3, 1948,[1] expressed its agreement to the sale of certain naval vessels as part of a prompt over-all settlement and demanded that the Soviet Union, in accordance with its obligation under Article V of the Agreement of June 11, 1942, promptly return to the United States certain other naval vessels. Therefore, it is expected that the forthcoming discussions between naval experts will deal with the disposition to be made of all naval vessels leased to the Soviet Government in the light of the provisions of Article V of the Agreement of June 11, 1942.

The Government of the United States takes note of the statement of the Soviet Government concerning negotiations between the Soviet Purchasing Commission in the United States and two United States patent holders for compensation for the use of their patented processes in lend-lease oil refineries in the Soviet Union. This Government expects that the Soviet Government will proceed promptly to discharge its obligations, under Article IV of the Agreement of June 11, 1942, to all the American claimant companies.

The Government of the United States, as stated above is ready to resume negotiations. However, January 15 would be more convenient than the December 20 date proposed in Mr. Bazykin's note of November 24. Representatives of the United States Government, therefore, will be prepared to meet with representatives of the Union of Soviet Socialist Republics on January 15.[2]

Accept [etc.]

For the Secretary of State:

JAMES E. WEBB

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[1] As originally sent to the Embassy of the Soviet Union the date of the note here referred to was given as "October 7, 1948." This mistake was corrected and the proper date of "September 3, 1948" was substituted in a telephone message to the Embassy on December 14, 1950, and was also confirmed in a written note of the same day.

[2] The substance of this note was sent for the information of the Embassy in the Soviet Union in telegram 420 on December 15, 1950. (761.56/11-2450)

761.56/12-1250

Minutes of Informal Meeting of the USSR Lend-Lease Settlement Committee, Department Officers Only[1]

SECRET [WASHINGTON,] December 12, 1950.

Present:	Mr. Thorp	E
	Mr. Corbett[2]	OFD
	Mr. Murphy[3]	OFD:LL
	Mr. Cardozo[4]	L/E
	Mr. Bonbright	EUR
	Mr. Reinhardt	EE
	Mr. Davis[5]	EE
	Mr. Truesdell	EE
	Mr. Katz	EE

Mr. Thorp opened the discussion with some comments to the effect that, to look at the matter realistically, the Soviet Union's lend-lease obligation to the United States was a bad debt. He said that, in the light of this situation, it might be advisable for the United States to settle now for whatever amount we can negotiate with the Soviets even though such amount would be less than the amount we have been regarding as a fair settlement. He coupled this with a clear indication that, in his judgement, any settlement with the Soviets must be based on the actual return to the United States of the maximum possible number of naval vessels.

Mr. Cardozo stated that some of the lend-lease settlements with other Governments were not settled in accordance with any hard and fast principles or formulae and suggested that perhaps we should not adhere inflexibly to the announced principles which we have been using to arrive at our figure for a reasonable settlement of the Soviet account.

Mr. Thorp mentioned that, if it were possible to obtain a lump sum cash settlement, we should be in a position to accept an amount substantially below that originally contemplated. All present agreed that such a settlement would be in the interests of the United States and that, if it were at all possible, the deal should be closed on that basis. It was doubted however that the Soviets would agree to such a settlement and reference was made to what appears to be the unwavering Soviet position that it must be accorded the most favorable credit terms, viz the U.K. Settlement terms.

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[1] This meeting was held in the Department of State, beginning at 10 a. m.

[2] Jack C. Corbett was Deputy Director of the Office of Financial and Development Policy.

[3] Francis T. Murphy was Chief of the Lend-Lease and Surplus Property Staff in the Office of Financial and Development Policy.

[4] Michael M. Cardozo was Assistant Legal Adviser for Economic Affairs.

[5] Richard H. Davis was the Officer in Charge of U.S.S.R. Affairs in the Office of Eastern European Affairs.

The discussion then shifted to the question of the vessels and Mr. Bonbright and a number of others present said that any kind of a monetary settlement which did not encompass the return of all or most of the naval vessels would not be in the national interest and would most certainly be unfavorably received by the public and Congress. It was agreed that any settlement to which the United States agrees must bring about the actual physical return to our custody of the maximum number of naval vessels. After considerable discussion on the possibility of obtaining the return of the maximum number of naval vessels and the negotiating strategy that might be employed to this end, it was agreed that consultations should be held with Congress and with the Department of the Navy before a final position is established.

Mr. Thorp indicated that he would like to discuss this aspect of the problem with the highest Naval authorities and it was agreed that arrangements would be made for an interview with Secretary Matthews in the next few days, if possible.

Mr. Thorp said that he would also discuss the matter with those Congressional members with whom he deals on economic matters.

The meeting closed with the understanding that Mr. Murphy would undertake to arrange a meeting between Mr. Thorp and Secretary Matthews or some other top level person in the Navy so that a sound and satisfactory position on the question of naval vessels could be worked out.

861.24/6-2049

Memorandum by Mr. Carroll M. Meigs, Staff Assistant on the Lend-Lease and Surplus Property Staff in the Office of Financial and Development Policy [1]

SECRET

General

Navy records contain signed receipts from USSR for 585 vessels. Of these 36 have been reported lost and 90 reported inoperable, leaving a balance of 459 operable vessels. The U.S. has demanded the return of 217 of these vessels including 3 icebreakers and 28 frigates considered of paramount importance to the U.S. To date 27 frigates and 1 icebreaker have been delivered, 2 icebreakers remained locked in the ice with damaged screws, 1 frigate is reported lost and 186 vessels remain on the demand list. The remainder of vessels reported in

[1] This undated memorandum on naval vessels lend-leased to the Soviet Union was drafted on December 14, 1950, by Mr. Meigs as background notes for Assistant Secretary of State for Economic Affairs Willard L. Thorp, in preparation for a meeting with the Secretary of the Navy Francis P. Matthews on December 15 at 3:30 p. m.; see *infra*.

operable condition, 242, have been considered as subject to negotiation for transfer (sale) to the USSR.

Details

On May 6, 1946,[2] Secretary Forrestal requested the Department to obtain the return of the 3 icebreakers. On July 26, 1946 [3] a note to the Soviet Embassy requested their return.

On April 30, 1947 [4] lend-lease settlement negotiations were opened and the return of additional lend-lease vessels became one subject of discussion. The Navy on May 8, 1947 [5] wrote the Department stating that 480 vessels would be required for U.S. needs, 102 could be disposed of as surplus and noted reports of the loss of 3 vessels (total 585). On June 11, 1947 [6] the Navy curtailed its list of vessels to be returned and requested that 15 landing craft infantry, 101 torpedo boats and 70 submarine chasers (total 186) be returned in addition to the frigates and icebreakers and stated "It is understood that naval vessels in excess of the foregoing will be offered for sale to Russia". This reduced requirement appears to have resulted from the settlement negotiations then going on.

However, ten meetings of the U.S.–USSR Combined Working Group held between May 3 and July 18, 1947 [7] resulted in no progress being made toward the obtaining of the return of the vessels.

Negotiations were discontinued and a series of interchanges of notes took place. A U.S. note dated September 3, 1948 [8] made the following detailed proposals: (*a*) Demanded immediate return of the icebreakers and frigates, (*b*) requested early return of 186 landing craft, torpedo boats and submarine chasers, (*c*) offered to negotiate for sale of the balance of 242 vessels conditional upon a prompt over-all deal and (*d*) requested return or destruction of the 90 inoperable vessels.

Shortly thereafter under date of October 11, 1948 [9] the Navy further scaled down its requirements to include only the icebreakers and frigates and indicated no objection to the sale of the entire remainder to the USSR. This decision appears to have been influenced by reduced budget and personnel. However, on December 29, 1948 [9] at the third meeting of the Subcommittee on Naval Ships the Navy reaffirmed its desire for the return of the 186 vessels as well as the frigates and icebreakers.

An extended exchange of notes on the subject of returning the icebreakers and frigates followed and finally resulted in meetings in

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[2] *Foreign Relations*, 1946, vol. VI, p. 837.
[3] *Ibid.*, p. 852.
[4] *Ibid.*, 1947, vol. IV, p. 680.
[5] *Ibid.*, p. 685.
[6] *Ibid.*, 1947, vol. IV, p. 694.
[7] See the editorial note, *ibid.*, p. 683.
[8] *Ibid.*, 1948, vol. IV, p. 1004.
[9] Not printed.

Washington with Soviet naval experts to arrange technical details for the return of these vessels. An agreement was signed on September 27, 1949 and at that time the Soviet Ambassador was requested to have the naval experts continue discussions for the return of the 186 other vessels required. Despite this the Soviet experts departed on October 27, 1949.

Under date of October 10, 1949 [10] the Navy reviewed its previous statements of requirements and said that the Navy and the Secretary of Defense are now desirous of accomplishing the return of *all* lend-lease naval vessels. This position was reaffirmed in a meeting of the Subcommittee on Naval Ships held December 14, 1949 [11] and again, verbally, as recently as Monday, December 11, 1950.

The U.S. note of June 15, 1950 proposed the renewal of lend-lease settlement discussions, including the question of vessels, and the Soviet note of November 24, 1950 agreed to resume talks. The U.S. has suggested January 15 for the opening date.

C[ARROLL] M. M[EIGS]

[10] *Foreign Relations*, 1949, vol. v, p. 746.
[11] *Ibid.*, p. 752.

761.56/12-1550

Memorandum of Conversation, by the Assistant Secretary of State for Economic Affairs (Thorp)

SECRET [WASHINGTON,] December 15, 1950.

Participants: Secretary of the Navy Matthews
Assistant Secretary of State Thorp
Mr. Bonbright—EUR
Mr. Truesdell—EE
Mr. Murphy—LL

Today at my request I had an appointment with Secretary of the Navy Matthews to discuss the 400 odd lend-lease Naval vessels held by the U.S.S.R. I explained that, as a result of a note we sent to the Soviet Ambassador last June proposing the resumption of "across-the-table" discussions on both an over-all lend-lease settlement and the question of the naval vessels, the Soviet Government had replied at the end of November suggesting the date of December 20, I said that several very important factors, including that of the naval vessels, would require discussion with Congressional leaders and possibly with the President so that, in responding to the Soviet note, we suggested a date of January 15 and we were still awaiting their reply. I outlined to Mr. Matthews the history of our endeavors to conclude a satisfactory over-all settlement of Russia's lend-lease account including disposition of the naval vessels of various types, and indicated

that it was my purpose today to ascertain the present position of the Navy with respect to these vessels. I said that I was keenly aware of public opinion and Congressional interest in this matter and believed that our efforts should be directed toward obtaining the return of all of the Naval vessels. However, I also pointed out that, while this undoubtedly would be the most desirable result to be achieved, we should not lose sight of the fact that by demanding the return of all vessels we might end up by not getting any.

Mr. Matthews said that he realized this but that the Navy Department was bound at this time to act in accordance with a directive of the Secretary of Defense to the effect that the Department of State should enter negotiations with the intention of dispossessing the Soviets of all operable vessels and that is the Navy's position. He indicated that he was sympathetic with our position of responsibility for dealing with the problem but that in the face of public opinion, Congressional reaction and Navy strategic concepts, the Navy could not and would not concur in any position or policy which would have the effect of consenting to the sale or transfer of any of these vessels to the Soviets.

After saying that I was in accord with this view as a matter of general principle and protection of the national interest, I indicated that, as a practical matter, it was most likely that during the course of negotiations we would have to recede from such a position and what I was seeking today was advice as to the extent to which a demand for the return of all the vessels could be modified during negotiations. I referred to the Soviet lend-lease account and the vessels as, in reality, being a bad debt and said that it might be best to take the maximum that we could get rather than to remain inflexible in trying to get all of the vessels back with the result that we would undoubtedly get none of them. I pointed out that I was not advocating a course of action at this time but rather was seeking the views of the Navy as to the most advisable way to proceed in the negotiations.

Mr. Matthews again said that, unless the Secretary of Defense or the President decided otherwise, the Navy would be bound to adhere to its present position that we should demand the return of all of the naval vessels.

During the discussion Mr. Matthews mentioned that the Soviet note of November 24 referred only to the sale of Naval vessels and Mr. Murphy responded by saying that, in our reply to the Soviet note, we took exception to this by pointing out that, while we referred to an earlier note in which we had indicated a willingness to sell 242 vessels and requested the return of 186 vessels, we would enter these negotiations with the objective of discussing the disposition of all naval vessels in the light of the provisions of Article V of the Agreement. I left Mr. Matthews a copy of this note to the Soviets dated December 9, 1950.

The discussion ended with my indicating appreciation for the Navy's views and Mr. Matthews said that he did not envy the Department's position of trying to work out a satisfactory method of winding up this lend-lease account and particularly the vessel question.

W[illard] L. T[horp]

761.56/12-1650

The Ambassador of the Soviet Union (Panyushkin) to the Under Secretary of State (Webb)

[Translation]

CONFIDENTIAL WASHINGTON, December 16, 1950.

No. 183

SIR: I hereby acknowledge receipt of the note of the Government of the USA dated December 9 on the question of settlement of the lend-lease accounts.

I have the honor to inform you that the Government of the USSR, proceeding from the position set forth in its note of November 24, expresses its agreement with the proposal of the Government of the USA to renew the negotiations in Washington on January 15, 1951 and, for the conduct of the negotiations, has granted full authority to me and to Commercial Counselor of the Embassy of the USSR, N. K. Grigorev,[1] and at the same time has appointed Rear Admiral N. A. Piterski [2] as naval expert.[3]

Accept [etc.] A. PANYUSHKIN

[1] Nikolay Konstantinovich Grigoryev was Commercial Counselor of the Embassy of the Soviet Union and Chairman of the Government Purchasing Commission of the Soviet Union in the United States.

[2] Rear Admiral Nikolay Alexeyevich Pitersky had previously also been the naval expert representing the Soviet Union during the negotiations in 1949 for the return of the lend-leased icebreakers and frigates.

[3] A summary of this note was sent to the Embassy in the Soviet Union in telegram 422 on December 18, with the statement that there was no objection to the immediate issuance of a visa for Grigoryev which had been applied for on November 30. (761.56/12-1650)

761.56/11-2150

Memorandum by the Assistant Secretary of State for Economic Affairs (Thorp) to the Under Secretary of State (Webb)

SECRET [WASHINGTON,] December 21, 1950.

Background

[Here follow two introductory paragraphs containing background information on the efforts by the United States to obtain the return of

three icebreakers held by the Soviet Union for more than 4 years. Only one icebreaker had been returned in December 1949. This material was incorporated in paragraphs two through five of the note of December 28, 1950, from the Secretary of State to Chargé Sokolov of the Soviet Union, page 1335.]

Discussion

The Department of the Navy has on repeated occasions stated that the icebreakers are urgently required by the United States Government. A letter from Acting Secretary of the Navy, Mr. Kimball, to the Department dated November 21, proposed that the Department continue its efforts toward recovery of the icebreakers and that in order to facilitate consideration of possible acceptance of these vessels in their present condition and location, information be requested from the Soviet Government as to their present location. The Navy believes and I concur, that the United States would derive some propaganda value from a refusal by the Soviet Government to provide this information. The possibility of the Soviet Government providing such information and agreeing to return these vessels to United States custody in their present location, is of course extremely remote. I believe, however, that such a request should be made of the Soviet Government, if only for the record. It is contemplated that we will raise the question of these vessels at the forthcoming lend-lease settlement talks beginning on January 15. At that time it may be to our advantage to be able to refer to a previous request for information as to the whereabouts and condition of the two icebreakers.

Recommendation

It is recommended that you sign the attached note to the Soviet Ambassador.[1]

W[illard] L. T[horp]

[1] Note of December 28, p. 1335.

761.56/11-2150

The Assistant Secretary of State for Economic Affairs (Thorp) to the Secretary of the Navy (Matthews)

SECRET

Washington, December 26, 1950.

My Dear Mr. Secretary: The receipt is acknowledged of the letter dated November 21, 1950 signed by the Acting Secretary of the Navy referring to the two United States icebreakers acquired by the U.S.S.R. under the lend-lease program in 1944–1945 and still retained by the U.S.S.R. despite repeated attempts of this Department to bring about their return to the Government of the United States.

I have noted the Acting Secretary's proposal that this Department continue its efforts towards recovery of the icebreakers by making further representations to the U.S.S.R. concerning the present whereabouts of the two icebreakers so that consideration can be given by the Department of the Navy to the possibility of accepting the vessels at their present location. As you know, this Department has proposed to the U.S.S.R. that negotiations for an over-all settlement of its lend-lease account, including the disposition of all naval vessels in the light of the provisions of Article V of the Master Lend-Lease Agreement, be resumed on January 15, 1951. This Department has received a note from the Soviet Embassy accepting this date and indicating that Ambassador Panyushkin and Mr. N. K. Grigorev would conduct these negotiations and also that Rear Admiral N. A. Piterski has been officially designated by the Soviet Government to participate in the discussions concerning the naval vessels.

I am keenly aware of the importance which the Navy attaches to the prompt return of these icebreakers and, during the forthcoming discussions, I shall make very clear to the Soviet representatives the United States Government's desire for the immediate return of these vessels. In the meantime, a note is being sent to the Soviet Government requesting specific information as to the whereabouts and condition of these icebreakers.

You will recall that these icebreakers were mentioned briefly during our discussion at your office on December 15. At that time Mr. Murphy stated his understanding that the Department of the Navy had, through Commander Davis, indicated that the Navy was not at this time prepared to concur in a request to the Soviet Government for information as to the present location of the icebreakers and also an offer to send United States Naval personnel to take over the vessels. Since neither Mr. Murphy nor I had knowledge of the Acting Secretary's letter of November 21 at the time of our discussion at your office, I fear that an erroneous impression of this Department's understanding of the Navy's position in this respect may have been conveyed to you. The Acting Secretary's letter sets forth clearly the Navy's position and I shall be glad to proceed accordingly when I meet with the Soviets beginning January 15, 1951.

Sincerely yours, WILLARD L. THORP

761.56/11-2150

The Secretary of State to the Chargé of the Soviet Union (Sokolov)

WASHINGTON, December 28, 1950.

SIR: I refer to the question of two icebreakers of the United States Navy, the *North Wind* and the *West Wind*, leased to the Gov-

ernment of the Union of Soviet Socialist Republics under the Lend-Lease Act which have not been returned to the United States in accordance with the obligation of the Soviet Government under Article V of the Master Lend-Lease Agreement and as specifically provided for in the Agreement of September 27, 1949 between the Governments of the United States and the Union of Soviet Socialist Republics.

You will recall that in a note of October 7, 1948, the Government of the United States formally demanded the return of three icebreakers, the *North Wind*, the *South Wind* and the *West Wind*. On September 27, 1949 the Governments of the United States and the Union of Soviet Socialist Republics signed an agreement which provided for the return of the three icebreakers to the United States at the port of Bremerhaven, Germany not later than December 1, 1949. On November 12, 1949, the Soviet Chargé d'Affaires informed this Government that only one icebreaker, the *South Wind* could be returned by December 1, the other two, the *North Wind* and the *West Wind* being unable to break through the unusually heavy ice in the Arctic regions. The Soviet Government offered to return the *South Wind* before December 1, and the *North Wind* and *West Wind* at a port in northern Japan in May or June 1950, or earlier if possible. In view of the original agreement, the Soviet Government alternatively offered to return all three vessels at Bremerhaven after piloting them through the Arctic from east to west during the Arctic navigation season in 1950.

On November 29, 1949, the Soviet Chargé d'Affaires was informed that the United States Government was prepared to accept the icebreaker *South Wind* immediately in the port of Yokosuka, Japan,[1] and on December 27, 1949 the *South Wind* was returned to United States custody.

In its note of May 8, 1950 the United States Government expressed its desire to accept delivery of the *North Wind* and *West Wind* in Bremerhaven, Germany before June 30, 1950 or if that were not possible, it agreed to accept delivery in Yokosuka, Japan. Mr. Bazykin, the Soviet Chargé d'Affaires replied to the request of the United States Government on May 31, 1950 stating that the icebreakers *North Wind* and *West Wind* could not be returned in the previously specified time because they were caught in solid jammed Arctic ice and were drifting westward. The Soviet Government therefore offered to deliver the icebreakers in the port of Bremerhaven in November or December 1950.

On November 1, 1950 the Soviet Chargé d'Affaires again informed this Government that the two icebreakers could not be delivered. On this occasion the Soviet note stated that the icebreakers had not yet broken into clear water because both vessels had damaged screws.

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[1] *Foreign Relations*, 1949, vol. v, footnote 1, p. 752.

More than a year has passed since the original delivery date agreed to by the Soviet Government. In these circumstances the Government of the United States would appreciate detailed information as to the whereabouts and condition of these two vessels of the United States Navy in order that consideration may be given to the possibility of accepting their return in their present condition and location.

Accept [etc.]

For the Secretary of State:
JAMES E. WEBB
Under Secretary

YUGOSLAVIA

ATTITUDE OF THE UNITED STATES TOWARD THE CONFLICT BETWEEN YUGOSLAVIA AND THE SOVIET UNION AND ITS SATELLITES; THE EXTENSION OF ECONOMIC ASSISTANCE TO YUGOSLAVIA; THE CONSIDERATION OF THE QUESTION OF MILITARY ASSISTANCE FOR YUGOSLAVIA[1]

760H.61/11–1149

Memorandum of Conversation, by the Deputy Assistant Secretary of State for European Affairs (Thompson)

TOP SECRET [WASHINGTON,] November 11, 1949.

Mr. Hoyer-Millar showed me a series of telegrams from the British Ambassador in Belgrade[2] to the Foreign Office reporting a conversation with Tito. For the most part, the conversation added little to our knowledge of Tito's attitude on various questions. Re Albania, he said the best policy was to let the Albanians stew in their own juice and that any outside intervention would be unfortunate. The most significant development in the conversation was Peake's initiative in referring to items in the Belgrade press implying that the Soviet Union might get itself involved in a world war over the Yugoslav question. Peake stressed several times in the conversation that he hoped Tito did not have any illusions on this score, making clear that Yugoslavia could not count on Great Britain's becoming involved in a world war as a result of any attack on Yugoslavia.[3] Tito informed the Ambassador he had no illusions on this score, but pointed out the need for encouraging his own people.

I pointed out that it seemed unnecessary and possibly unwise to have raised this issue with Tito. Hoyer-Millar agreed but observed that Tito did not appear to have been unduly disturbed by it.

I believe we should be extremely careful to prevent any leak to the press of this British *démarche*, which if known, would only serve to encourage Soviet aggression.

LLEWELLYN E. THOMPSON

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[1] Previous documentation on these topics is presented in *Foreign Relations*, 1949, vol. v, pp. 854 ff.

[2] Sir Charles Peake.

[3] In a conversation with *New York Times* correspondent C. L. Sulzberger on November 8, British Prime Minister Attlee indicated that there was complete agreement between Britain and the United States on policy toward Yugoslavia and that the policy might be described as one of "all aid short of war". (Sulzberger, *Long Row of Candles: Memoirs and Diaries [1934–1954]* (The Macmillan Company, 1969), p. 447)

S/S–NSC Files : Lot 63 D 351 : NSC 18 Series [1]

Memorandum by the Joint Chiefs of Staff for the Secretary of Defense [2]

TOP SECRET WASHINGTON, 16 November 1949.

Subject: United States Policy Toward the Conflict Between the USSR and Yugoslavia

In accordance with the request contained in your memorandum of 10 November 1949,[3] the Joint Chiefs of Staff have studied NSC 18/3, a report by the National Security Council Staff, which you enclosed, entitled "United States Policy Toward the Conflict Between the USSR and Yugoslavia", and are in general agreement with those sections of the report which have military implications.

The Joint Chiefs of Staff fully concur in the thought expressed in paragraph 3 of the Analysis in the report that it is in the important interests of the West that Tito maintain his resistance. They perceive significant security advantages to the United States if the rift between Tito and the Kremlin continues and especially if Tito's example gives impetus to defections by other satellite states. Yugoslav success in opposing Soviet domination could, in fact, present opportunities which the United States might capitalize on to attain certain of its national objectives as set forth in NSC 20/4.[4] Because of the advantages which we may obtain through this rift, the Joint Chiefs of Staff believe that, from the military point of view, United States aid to the Tito regime, both economic aid and military aid short of participation, is sound.

It appears, however, that there are two considerations which are unfavorable to the course of action under study. . . .

The second unfavorable consideration is our present apparent difficulty in providing any form of immediate gratuitous governmental aid to Tito. The Joint Chiefs of Staff will not agree to military aid in support of the Tito regime furnished at the expense of United

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[1] Lot 63 D 351 is a serial master file of the National Security Council documents and correspondence and related Department of State memoranda for the years 1947–1961, as maintained by the Executive Secretariat of the Department of State.

[2] This memorandum was circulated to the National Security Council in connection with the Council's consideration of NSC 18/3, November 10. The amendments and deletions proposed in this memorandum were subsequently incorporated in NSC 18/4, November 17 (*infra*) which was approved by the Council. Differences between NSC 18/3 and 18/4 are indicated in annotations to the latter document.

This document was not available for public release at the time of publication of the other 1949 documentation on policies toward Yugoslavia described in footnote 1, *supra*.

[3] Not printed.

[4] The reference here is to the Report by the National Security Council to President Truman, dated November 23, 1948 and entitled "U.S. Objectives With Respect to the USSR To Counter Soviet Threats to U.S. Security". For text of NSC 20/4, see *Foreign Relations*, 1948, vol. I, Part 2, p. 662.

States ability to implement our emergency war plans. At the present time, the Department of Defense is faced with a supply situation which does not admit foreign military aid other than to an extremely limited extent without impairing our ability to prosecute a war, if war were now forced upon us. Implementation of the Mutual Defense Assistance Act of 1949 is predicated upon this fact. Moreover, Yugoslavia cannot become a beneficiary within the present provisions of that Act. Thus, the United States capability of providing immediate gratuitous governmental assistance to the Yugoslavs is practically negligible. On the other hand, our Government could facilitate Yugoslav purchases of war material from private sources in the United States and could expedite the export of these purchases. The United States could also use its influence to facilitate Yugoslav cash purchases of war materials in other countries. If necessary, the Department of Defense could justify military support of legislation to provide funds necessary for Yugoslav military assistance. In addition, there rests in the President certain emergency powers and budgetary decisions which can be used by him, if in his judgment circumstances demand it.

The major policy decision which should be made now is the extent to which we are willing to back Tito against the Kremlin. In the subject paper, the amount of military aid is stated in indefinite terms. The Joint Chiefs of Staff suggest that the conclusion in sub-paragraph 22–*a* of the paper be altered to indicate that "he [Tito] can count on obtaining military aid from the West appropriate to the Yugoslav situation. . . ." Any lesser policy statement would be temporizing with the situation. If we are not prepared to go this far should the situation warrant it, the Joint Chiefs of Staff doubt if we should give any further aid to Tito, since without appropriate and probably substantial aid from us, we cannot expect to profit from his success. Furthermore, we stand to suffer loss of prestige if Tito fails.

This policy . . . would, of course, be predicated upon the continued success of that regime. Consequently, it would be necessary to keep the situation in Yugoslavia under constant review. In this connection, the Joint Chiefs of Staff would suggest deleting sub-paragraph 24–*d* from the report since it would be better if the United States position in the Security Council were related to the situation existing in Yugoslavia at the time and in the light of all attendant circumstances.

The Joint Chiefs of Staff believe that sub-paragraph 27–*a* of the Conclusions to the report provides merely a device for anticipating in some measure the military supply requirements of Yugoslavia. In all probability, the estimate of probable requirements would be based primarily upon intelligence and its principal use would be in justification and in support of military aid legislation for Yugoslavia. Such estimates would require revision as Yugoslav requests for military

supplies are received. Accordingly, it is suggested that a sentence be added at the end of the subject sub-paragraph as follows:

These estimates, however, would require revision as Yugoslav requests for military supplies are received and, therefore, should be prepared in the broadest terms to be considered as tentative estimates only.

For the Joint Chiefs of Staff:
OMAR N. BRADLEY
Chairman
Joint Chiefs of Staff

S/S–NSC Files: Lot 63 D 351: NSC 18 Series

Report by the National Security Council to the President[1]

TOP SECRET WASHINGTON, November 17, 1949.

NSC 18/4

UNITED STATES POLICY TOWARD THE CONFLICT BETWEEN THE USSR AND YUGOSLAVIA

THE PROBLEM

1. To determine desirable United States courses of action in the event of possible developments in the conflict between the USSR and Yugoslavia.

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[1] This report was prepared by the Staff of the National Security Council with the advice and assistance of representatives of the Department of State, the Department of Defense, the National Security Resources Board, and the Central Intelligence Agency. It was based on document PPS 60, September 12, 1949, *Foreign Relations*, 1949, vol. v, p. 947. This report was originally submitted to the National Security Council as NSC 18/3, November 10, 1949, and was circulated to the Under Secretary of State's Meeting as document UM D–60a, November 10. The Under Secretary's Meeting of November 15 approved the report with a few minor suggested changes. The views of the Joint Chiefs of Staff were set forth in its memorandum of November 16 to the Secretary of Defense, *supra*. At its meeting on November 17, the National Security Council adopted NSC 18/3 subject to amendments suggested by the Secretary of State (to paragraphs 6, 10, 16, and 26*h*) and by the Joint Chiefs of Staff (to paragraphs 22*a*, 27*a*, and the deletion of 24*d*). On November 18 Sidney W. Souers, Executive Secretary of the National Security Council, informed the Council that President Truman had that day approved the report as printed here and had directed that it be implemented under the coordination of the Secretary of State.

Differences between NSC 18/3 and the final approved text printed here are indicated in annotations at the appropriate places.

On December 20 a Department of State top secret *aide-mémoire* dated December 19, not printed, summarizing the principal conclusions and recommendations of this Report was delivered to the British Embassy in Washington (860H.00/12–1949). The following day, Officer in Charge of Balkan Affairs John C. Campbell and Director of the Office of Eastern European Affairs Charles W. Yost called John H. English, Commercial Counselor of the Canadian Embassy, to the Department of State in order to make available to the Canadian Government the general conclusions contained in this Report and to lay the basis for cooperation between the two governments. The Canadian Government had recently been approached by the Yugoslav Government with a request for the shipment of TNT. Campbell's memorandum of this conversation is filed under 660H.119/12–2149.

This document was not available for public release at the time of the publication of the other 1949 documentation on policies toward Yugoslavia referred to in footnote 1, p. 1338.

ANALYSIS

United States Interests in the USSR-Yugoslav Conflict

2. Soviet success in destroying the Tito regime in Yugoslavia and supplanting it by a puppet government completely subservient to Moscow would represent a renewal and intensification of threats to the security of Greece and Italy and a serious political reverse for the United States and the Western European nations. The Western position in Trieste and Italy would immediately become more difficult and the present possibilities of a Yugoslav-Italian agreement on a Trieste solution would undoubtedly disappear. Direct Soviet control of all Yugoslav territory would have disastrous consequences for Greece. Because of the great blow to Greek morale and the opportunities for renewed and intensified guerrilla operations, it would be doubtful whether Greece could be saved from Soviet domination. While the limits of the area of Soviet control would merely be restored to what they were before the Tito–Kremlin break, the situation would in fact be worse, in that recent Western gains would have been lost or offset and increased momentum given to Soviet expansionism. Soviet success in subjugating Yugoslavia would have a tremendous psychological impact on Europe, which would be increased if Soviet action encountered only indecision and ineffective counter-measures on the part of the United States and other Western powers. In consequence, all the gains we have made in Central and Western Europe and in Greece during the past two years would be jeopardized.

3. The suppression of the Tito heresy could not fail to have a profound and perhaps decisive influence upon all those elements within the communist world which are presently resisting the absolute control of the Kremlin under the leadership and inspiration of Tito's successful resistance. . . .

4. The United States is currently endeavoring to encourage continuation of Tito's resistance to Moscow both through our general attitude toward the USSR-Yugoslav conflict and through limited measures of economic assistance (NSC 18; NSC 18/2 [2]). However, present indications are that the USSR is contemplating more drastic action against Yugoslavia. In the event of such action, the Tito regime may well require additional support from the West as a means of encouraging further resistance. In particular, the expectation of receiving at least a limited amount of support in military supplies from the West would be an important factor in the calculations of the Yugoslav leaders. Assurances from the United States that military supplies would be obtainable in the event of direct or indirect Soviet aggres-

[2] NSC 18, July 6, 1948, entitled "The Attitude of This Government Toward Events in Yugoslavia" is the same as document PPS 35, June 30, 1948, *Foreign Relations*, 1948, vol. IV, p. 1079. Regarding NSC 18/2, see the editorial note, *ibid.*, 1949, vol. V, p. 868.

sion, even without specific commitments to provide fixed quantities of arms, would strengthen their determination to resist such aggression. Such assurances would aid the top leaders in keeping the support of their subordinates in key positions of the party and the army and in maintaining army morale. . . : Hence it is important that the United States immediately be in a position to give Yugoslavia a general assurance as to the availability of limited military supplies in the event of attack. However, the question of the types and amounts of assistance to be furnished would be determined at the time specific requests were received and on the basis of what appeared desirable and practicable in the light of conditions then prevailing. Such assistance would in any case be subject to the necessity for maintaining United States ability to implement emergency war plans.

Possible Soviet Courses of Action

5. Possible courses of action open to the Soviet Union in its present endeavor to liquidate the Tito regime fall into four categories:

a. Continuation and intensification of the present political, economic and psychological pressures, linked with attempts to instigate internal revolt within Yugoslavia and possibly accompanied by endeavors to assassinate Tito and his principal lieutenants.

b. Intensive guerrilla operations within Yugsolavia directed and supported from the outside.

c. Armed attack by the military forces of the satellite states not supported directly by the Soviet Army.

d. Direct armed attack by Soviet military forces, with or without assistance from the armies of the satellite countries bordering on Yugoslavia.

These possible courses of action are examined below in the light of (*a*) the likelihood of their adoption in accordance with estimates based on information available at this time and (*b*) their implications, if adopted, as related to United States security and national interests.

Continuation and intensification of present pressures, linked with attempts to instigate internal revolts in Yugoslavia and possibly with attempts to assassinate Tito and his chief lieutenants

6. Tito has shown his ability to withstand political, economic and psychological pressure. With the assurance of economic and financial support from the West, he should continue to hold his own, short of serious deterioration of conditions within Yugoslavia. His security forces should be able to thwart any attempts at internal revolution. Although the possibility of assassination cannot be overlooked, the removal of Tito alone from the scene would not be likely to change immediately [3] the basic situation since the other Yugoslav Communist

[3] The word "immediately" is not included in NSC 18/3 (UM D-60a).

leaders are equally committed to his policies and involved in his heresy.

Intensive guerrilla operations within Yugoslavia directed and supported from the outside

7. The most likely development in the intensified Soviet offensive against Yugoslavia, along with increased political, economic and psychological pressures, is a campaign of guerrilla operations within Yugoslavia directed and supported by the USSR from neighboring states. Present indications are that the guerrilla effort against Tito will be focused on Yugoslav Macedonia, the weakest spot in the present Yugoslav political structure. It would be based chiefly on Bulgaria and Albania. Probably the remnants of the Greek guerrilla forces would be utilized and would operate alongside "Macedonian" formations from bases in these two countries. Troop movements, "frontier incidents", and lesser guerrilla activities are likely along the borders of Rumania and Hungary. (Guerrillas could not operate, except by air, from the Soviet Zone of Austria, which is not adjacent to Yugoslavia.)

8. Yugoslav security forces are presently able to protect the Tito regime from attack from within and the Yugoslav army should be able to deal with guerrilla operations unless they are on a large scale and supported by Soviet direction and supplies. Yugoslavia, however, would soon run short of military equipment, since its military establishment was largely built up with supplies from the Soviet bloc from which it has now been cut off for months. Tito would need arms from the West as well as economic and financial support. In a long struggle, his increasing dependence upon the West would make possible greater accommodation with Greece and also with Italy and thus increase the possibilities for a Yugoslav-Italian settlement of the Trieste problem. In the eventuality of such a protracted guerrilla campaign, in which Tito would have a good chance of maintaining his position, the United States and the West would have greater opportunities, by helping him to maintain Yugoslavia's independence, of drawing Yugoslavia closer to the West.

9. The use of Albania by the Soviets as a base against Tito would raise questions concerning counteraction by Tito against Albania, the future of the Albanian regime, the interests of Yugoslavia, of Greece and of the Western powers in Albania, and the possibilities which are open to the United States and other Western powers in that strategic area. At present there appear to be four alternatives in the Albanian problem:

a. the continuance of the present Soviet-controlled regime of Enver Hoxha;

b. a revolt which would bring in a pro-Tito regime;

c. a revolt which would bring in an anti-Communist and pro-Western regime;

d. occupation and partition of Albania by Greece and Yugoslavia.

10. There are presently about one thousand Russians in Albania who are in complete control of the Government. The USSR desires to maintain this control as long as possible as a menace with at least nuisance value against Greece and Yugoslavia. Internal disaffection and economic distress have reached a point where the present regime faces serious internal difficulties which might invite intervention from both Yugoslavia and Greece.[4] A pro-Tito group of Albanians in Yugoslavia has been formed and may at some future time enter Albania in an attempt to seize power. Tito has recently said that it was vital to Yugoslavia that Albanian independence be respected. Moreover, at the present stage of the USSR-Yugoslav conflict, Tito can hardly afford to court trouble by open intervention in Albania at a time when he is under pressure from the USSR.

11. Should intervention in Albania from Yugoslavia occur, there would be a danger of direct Greek intervention with a view to occupying at least southern Albania, which the Greeks claim as "Northern Epirus". Renewal of guerrilla activity based on Albania might also provoke the Greeks to march in. Such events might have grave international consequences possibly leading to a general conflict; in addition, they would seriously complicate the Balkan picture and might operate to arrest and reverse the Yugoslav-Greek trend toward mutual cooperation against the Cominform. Direct Yugloslav or Greek intervention in Albania, moreover, would operate to prevent the seizure of power by anti-Communist, pro-Western Albanian elements.

Armed attack on Yugoslavia by military forces of Soviet satellite states

12. Yugoslavia's armed forces should be able to defeat any attack by neighboring satellite states (Albania, Bulgaria, Rumania, Hungary) not given substantial support by the USSR. In numbers, quality and morale the Yugoslav forces are stronger than the combined forces of the four satellites. It is not likely, therefore, that the USSR would direct the satellite states to attack Yugoslavia unless it were sure of their success. Thus, any such military campaign by the satellites would certainly have Soviet direction, Soviet support, and probably the assistance of Soviet military personnel in satellite uniforms.

13. If Soviet participation in such an attack by the satellites were sufficiently open and large-scale, the USSR itself could be charged as a party to the aggression, and the same considerations would apply

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[4] In NSC 18/3, November 10 (UM D-60a), this sentence reads as follows: "Internal disaffection and economic distress have reached a point where the present regime faces revolt, thus inviting intervention from both Yugoslavia and Greece."

as in the case of direct attack by Soviet forces (paragraphs 16–20 below). If Soviet participation were veiled but in sufficient strength, the satellites might succeed, after a relatively extended struggle, in winning a military victory over Tito unless he could replenish his military equipment from Western sources. In following this course, the Russians could hardly count on a quick victory. They would incur the risk that the satellite armies would suffer some military reverses and that a long drawn-out struggle would bring increasing possibilities of a general conflict. The West would be given time to take stock of the developing situation, and the United Nations probably would have time to take up the question before military operations terminated.

14. For the United States, the implications of a military conquest of Yugoslavia by the Soviet satellites with Soviet support would be the same as in the case of a military campaign waged by the Soviet Army itself.

15. Three of the satellite states in question (Hungary, Bulgaria, Rumania) were Axis states in the last war, and the peace treaties with them have been in effect only two years. The fourth satellite (Albania) was considered neither an Allied nor an Axis state during the war, but since the war it has a record of treaty violations and of aggression against Greece.

Armed attack by Soviet military forces, with or without assistance by satellite forces

16. Although Tito's heresy represents an intolerable challenge to Soviet authority, the Soviet Government is not likely to risk a direct military attack on Yugoslavia which might develop into a general conflict. Without doubt the Kremlin will exploit all possibilities short of war to liquidate the Tito regime. Our knowledge of Soviet methods indicates that Moscow will probably exercise patience and restraint in this operation, resorting to direct and overt force only under conditions where the Kremlin would believe that [5] there exists little or no risk of a general war, which the Soviet Union apparently desires at this time to avoid. It is the considered view of United States diplomatic missions in Moscow and in southeast Europe that the present Soviet threats accompanied by troop movements in the satellite areas represent one phase of the war of nerves against Tito rather than preparations for an actual military attack. The increasingly hysterical tenor of Soviet accusations against Tito, however, and the extent to which Moscow is staking its prestige on the early elimination of the Tito regime indicate the possibility that the USSR may launch a blitzkrieg with the aim of destroying Tito's power in Yugoslavia and replacing

[5] The phrase "the Kremlin would believe that" in this sentence does not appear in document NSC 18/3 (UM D-60a).

him with a puppet regime completely subservient to Moscow. It should be constantly borne in mind that the Kremlin regards the Yugoslav problem as a communist family affair rather than a conflict between two sovereign states. This Soviet view coupled with the extreme importance which the Politburo undoubtedly attaches to an early solution of the Yugoslav problem may well distort its appreciation of the international consequences of overt military action on the part of the Soviet Union against the Tito regime.

17. Should the Soviet Army undertake a full-scale attack on Yugoslavia, it could quickly overrun the flat northern part of the country and take Belgrade. The Yugoslav forces, however, should be able to maintain resistance for some months in the mountainous central area, and in any case to continue widespread guerrilla operations for a long period. According to present military estimates, the Soviet Army would meet substantial obstacles to complete and rapid conquest of Yugoslavia owing to the geographical situation of the country, the terrain, the training and morale of the Yugoslav Army and the difficulty of subduing a hostile population.

18. A direct Soviet military attack on Yugoslavia would represent a flagrant violation of the United Nations Charter, Article 2 of which requires all members to settle their international disputes by peaceful means and to refrain from the threat or use of force against the territorial integrity or political independence of any state.

19. In addition, such aggression would raise certain questions relating to the right of the USSR to use the territory of other states for the purpose of attacking Yugoslavia. Inasmuch as Russian territory is not adjacent to Yugoslav territory, any Soviet attack would probably come through Hungary and Rumania and possibly Bulgaria. Under the peace treaties, the Soviet Union is entitled to keep in Hungary and Rumania "such armed forces as it may need for the maintenance of lines of communication of the Soviet Army with the Soviet Zone of Occupation in Austria". If Soviet troops in Hungary and Rumania were used for another purpose, i.e., aggression against Yugoslavia, such would represent a violation of treaty obligations which the United States might protest. While the legal grounds for protest would be weakened by the consent of the Rumanian and Hungarian Governments to such use of their territories by Soviet forces, the abuse by the USSR of this specific limited treaty right in order to prepare and carry out aggression against a former allied state and member of the United Nations would justify the United States in protesting strongly. These clauses of the peace treaties were the product of long negotiation between the Western powers and the USSR and from our point of view were intended to contain the Soviet military position in Europe and not merely to protect Hungary and Rumania. The situation is somewhat different in Bulgaria as under

the Bulgarian peace treaty the Soviet Union was required to withdraw all of its occupation forces, but here again the Bulgarian Government would undoubtedly invite the Soviet Army to return.

20. Although the Soviet Zone in Austria is not contiguous to Yugoslavia, the Soviet Army might make use of that Zone in connection with an attack on Yugoslavia probably as a military staging area and as a base for air attacks. In this event, the United States, the U.K. and France would have legal grounds to protest such action as a violation of the agreements which form the basis for the allied occupation of Austria.

United States Psychological and Information Measures

21. The Information and Educational Exchange Program of the Department of State attempts to counteract Soviet propaganda by disseminating in all areas, and particularly in Soviet-dominated areas, developments relating to the Moscow–Belgrade controversy. Soviet actions and the resultant Yugoslav revelations concerning methods used by the USSR in its international relations, provide useful material for this purpose. In its propaganda the Soviet Union champions peace, the equality of nations and national sovereignty; it poses as defender of small nations from imperialist economic exploitation. Recent developments in Yugoslav-Russian relations demonstrate Soviet violation of the very principles it professes to champion. United States information media should continue to document this discrepancy between Soviet myth and reality. The information and educational exchange programs should also (*a*) emphasize our concern for the national independence of the Yugoslavs as well as of other peoples, and (*b*) strengthen the Yugoslav people in their resolve to defend their independence and sovereignty. . . .

CONCLUSIONS

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768.00/1–750 : Telegram

The Chargé in Yugoslavia (Reams [1]) to the Secretary of State

SECRET BELGRADE, January 7, 1950—9 a. m.

24. Foreign Minister Kardelj's summation national situation in People's Assembly last week [2] and close of year which brought crystal-

[1] R. Borden Reams, Counselor of Embassy in Yugoslavia.

[2] The reference here is to the speech on foreign policy made by Yugoslav Deputy Prime Minister and Minister for Foreign Affairs Edvard Kardelj to the Yugoslav Federal People's Assembly on December 27, 1949. The speech was reported upon in telegram 1338, December 31, 1949, from Belgrade, not printed (860H.00/12–3149). For an extract from the speech, see Margaret Carlyle (ed.), *Documents on International Affairs, 1949–1950*, issued under the auspices of the Royal Institute of International Affairs (London, New York, Toronto, Oxford University Press, 1953), pp. 495–496.

lization Yugoslav Government struggle with Soviet Union provides convenient opportunity for Embassy in collaboration with SMA to offer final appraisal political economic and military aspects Yugoslav situation before arrival new Ambassador.

Political. Clearly Yugoslavia has come long way in period elapsed since Moscow brought dispute to head and outlawed CPY from Communist world. Self-possessed tone and forthright character Kardelj's summation reflect growing confidence Yugoslav Government and its sense achievement and reasonable security. Soviet failure to follow up its threats and bluster last summer, Yugoslav election SC,[3] gradually but perceptibly improved political and economic relations with west, awareness of sympathetic attitude world opinion, and feeling that Belgrade–Moscow quarrel has been elevated from dangerous local level to problem of world magnitude, have all combined to consolidate Yugoslav attitude into present firmness and resolution. Broad base Yugoslav national deviation evidenced by recent Cominform resolution which extended denunciation to numerous government leaders and was in effect an admission removal Tito would not alter character of regime.

Although at least 80 percent of population regard Communist Government with extreme disfavor and would welcome substitution democratic government closely associated with west, Tito regime has thorough control of country. We see no evidence of development elements capable wresting power from present government. Pro-Cominform sympathies are negligible; democratic elements though in majority are divided and dispirited, without focus in leadership, aims or program, and have no opportunity for constructive action under repressive Communist regime. Ironically, government's sole source widespread support derives from its resistance to Communistic imperialism. Factor of popular pride in maintenance national independence and preservation unity Yugoslavia as nation is dominant one which may suffice sustain domestically unpopular government through critical period ahead. In brief, stability of regime has been increased by its foreign policy.

Important question now is how far will Yugoslavia alter her attitude toward west. It is evident to us that, although undeviatingly intent upon maintenance Communism, Yugoslav Government is giving clear indications its willingness evolve more normal and friendlier relations with US and other western countries. Herein lies essential difference for us between Kremlin Communism and what we may

[3] Yugoslavia was elected to the United Nations Security Council on October 20, 1949. Documentation regarding the 1949 Security Council elections is included in *Foreign Relations*, 1949, vol. II, pp. 188 ff.

500-421—80——86

reasonably hope may be Yugoslav policy. We believe such approaches as there have been may be forerunners of others, and that our policy should be to take full advantage of this change of heart. If we can develop contact between people of US and Yugoslavia, it is bound to influence even Yugoslav Communists favorably toward us and would be happy alternative to evil policies we are faced within Soviet Union and its satellites. Whether this change of heart is more apparent than real or whether it will endure only time will tell, but it apparent Yugoslav Communist leaders have suffered a deep psychological shock in the ordeal of their relations with Kremlin. It is not unnatural that experience should serve as catharsis out of which good might come and that new element of conscience may be developing in Yugoslav Government as consequence its successful struggle to maintain independence.

An important feature in changing Yugoslav attitude toward US has been created by our policy of not demanding political concessions while Yugoslav Government has back against wall. From many sources we hear this policy has had profound influence on Yugoslav Communists from top down through rank and file. Moscow has replaced the capitalist west as warmongering and imperialist threat. Though they remain obdurately opposed to US ideologically, it is becoming evident our policy contrasted with Kremlin's brutal tactics and hysterical propaganda no longer appears so reprehensible to them. Faced themselves with Soviet imperialism, they are presently less inclined view as aggressive our own defensive measures vis-à-vis Russia.

We feel that it would be wishful thinking, however, to expect closer relations with west to bring about any substantial or fundamental change in political character of government in foreseeable future. We do feel, however, that necessity maintaining internal control plus external factors will inevitably and by pressure of circumstance force Tito regime into general relaxation repressive measures which it is using to bring about socialization of state. There has already been some evidence for example of tendency toward decentralization of control. We anticipate some gradual relief to people through generally less objectionable government policy in dealing with Church, peasantry, and other problems. We do not expect this relief to come about by reversal of policy nor by admission of change but rather by negative action on part of government faced with problem maintaining control and not arousing popular opposition.

Being of highly nationalistic character, Tito regime is perhaps less insensitive to popular opinion than governments of Soviet orbit states and we do not doubt that it wants to get "closer to people". There have been some recent indications though not yet clearly discernible that

regime is more genuinely interested than heretofore in obtaining broader support. While not loosening its tight grip on body politic we nevertheless expect to see some softening of government attitude toward populace in its effort win larger measure of popularity.

Economic. Leaving aside question of economic consequences of possible large-scale guerrilla attacks or worse, Yugoslav economic outlook for 1950 has improved considerably over last six months as effects Cominform blockade gradually overcome in large part through trade shift to west, loans or credits from US and other western countries and IMF drawings. Recent British credits and possibility IBRD loan help brighten prospects particularly as regards capital equipment. Non-agricultural production for both export and consumption should be higher this year than last. Negative factors such as inadequate food, clothing, shelter and health conditions for workers, shortage of skilled labor and management, and bureaucratic red tape will continue to operate but probably with somewhat less force than in past. Agricultural production (which will depend primarily on weather) has gotten off to good start with favorable conditions for fall planting. Recent pace collectivization so rapid any effects on production not yet apparent. Fully three quarters' land now collectivized was planted as private land past crop season. In long run blighting effect of destruction individual proprietorship may be offset by advantages mechanization, improved seeds and breeds, superior technology generally. These latter factors, however, will be relatively long time coming while adverse factors deriving from large element unwilling participation in socialized method with consequent lack incentive full production effort are immediate. This might suggest likelihood falling yields and declining production immediate future or until positive effects mechanization, etc. can offset. Although large element compulsion in collectivization farms and enforced delivery products bitterly distasteful majority peasants, no violence to be expected. Negative resistance already manifested generally ineffective. Economic sabotage whether Cominform inspired or spontaneous believed unlikely reach significant proportions. Unless serious crop failure 1950 should be better year economically than 1949. Even if such crop failure should occur, believe Yugoslav Government would have better than even chance prevent economic collapse by changes in import program consequent upon loss agriculture exports and possible need unusual agriculture imports. In this connection probable population could and would endure additional privations charged by regime to crop failure or other factors obviously beyond its control. Nevertheless, in view uncertainties regarding production, transport, and trade help forthcoming from western and international agencies and extent to

which regime will in fact adjust its industrial and import programs in light economic realities US should continue watch situation closely as possible and be prepared if necessary in order to insure continued resistance to USSR and satellite pressure to furnish additional financial or material assistance.

Military. Loyalty and morale armed forces at present time considered good with no evidence indicating otherwise. Further, there are sufficient personnel in high positions in armed forces of long association with Tito to insure loyalty and support.

Equipment of armed forces not too good; it consists of conglomeration matériel obtained from Russians, British, Germans, Italians, and USA. Undoubtedly 1950 will take toll of equipment as regards obsolescence, repairs, maintenance, and upkeep. Air Force particularly needs replacements, not only in aircraft but in spares for available aircraft. Although Air Force equipment obsolete, it is considered Yugoslavs still maintain superiority in air strength in Balkans unless Russia provide satellites with modern aircraft. Aircraft in satellites principally similar that of Yugoslavia and World War II Soviet type. However, it must be assumed satellites will soon receive modern aircraft from Soviets and that their crews being trained in USSR. Similarly Yugoslav armed forces are superior to those of neighboring satellites collectively or singly. It is believed investment in military industry for past three years and for 1950 will begin pay dividends this year in categories ammunition, firearms and light equipment.

It noteworthy that Yugoslavians, although apprehensive and alert, have never publicly exhibited fear of attack from satellite countries or even Russia. Actually in view all reported border incidents their patience has been outstanding. However, it felt Yugoslavs will meet attacks any aggressor from any source whether it be satellite or Russia and will meet this attack to limit their ability and prosecute defense vigorously.

Possibility Russian or satellite attack upon Yugoslavia is considered remote but threat nevertheless exists. We can assume that any attack would not be preceded by an obvious movement of troops or that aggressor would in any way knowingly expose intentions in advance. Attack upon Yugoslavia would probably be sudden and without warning with primary purpose to prevent outside aid reaching Yugoslavia in time and also to present world with *fait accompli.*

Sent Department 24; pouched Moscow, Warsaw, Prague, Budapest, Bucharest, Sofia, Paris, London, Rome; State pass Defense.

REAMS

661.68/1-1350 : Telegram

The Secretary of State to the Embassy in France

TOP SECRET WASHINGTON, January 13, 1950—7 p. m.

179. President has recently approved NSC paper on US policy toward Yugo–USSR controversy.[1] We have informed UK of major conclusions[2] and believe desirable likewise inform Fr. Accordingly Emb shld inform FonOff along fol lines, leaving *aide-mémoire:*[3]

1. As Fr Govt is aware dispute between Yugo and Sov bloc has had effect of easing pressure on democratic nations. Continued ability of Tito regime to maintain Yugo's independence is obviously of great importance to Western Europe and Atlantic community. US has found it advisable to extend certain degree of economic support to Yugo with purpose of strengthening Tito's ability and determination to hold out. UK also has followed similar policy exemplified by recent agreement involving credits and extensive trade commitments. We consider that the problem is one of direct concern to France and other Western nations as well as US and UK since all support principle of right of nations to independence, all benefit by existence of split in formerly solid Sov-Communist system, and security of all wld be in danger by Sov success in replacing Tito with Cominform regime.

2. Dept and other agencies of US Govt have reviewed Yugo situation in light of possible future developments with the purpose of laying out lines of policy to be followed in certain contingencies. Dept desires to communicate to Fr Govt principal conclusions which have been reached and to invite Fr views thereon. Conclusions fol in numbered paras 3–7 below.

3. Present limited economic support of Yugo by Western powers shld be continued with such added help as is necessary to enable Tito regime to maintain its resistance to Sov pressure.

. . . . . .

7. It is considered desirable to coordinate US policies on Yugo question to extent practicable with those of UK, France and other Western nations. Accordingly, Dept wld welcome comments of Fr Govt on points raised above, including Fr estimates of possible Yugo requirements of arms and means of meeting such requirements.

Since NSC document on which present tel based is classified top secret Emb shld recommend to Fr FonOff utmost discretion in han-

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[1] The reference here is to document NSC 18/4, November 17, 1949, which was approved by President Truman on the following day. For text, see p. 1341.

[2] An *aide-mémoire* summarizing the principal conclusions and recommendations of NSC 18/4 was delivered to the British Embassy in Washington on December 20, 1949.

[3] In his telegram 200, January 16, from Paris, not printed, Ambassador David K. E. Bruce reported that an *aide-mémoire* containing the substance of the telegram printed here was conveyed that day to Maurice Couve de Murville, Director General for Political Affairs of the French Foreign Ministry, who indicated keen interest, promised to take up the matter promptly with French Foreign Minister Robert Schuman, and indicated that French Prime Minister Georges Bidault and Minister of Defense René Pleven would also be consulted (661.68/1-1650).

dling this info. Substance is also being communicated to Fr Emb here.[4]

ACHESON

[4] An *aide-mémoire* dated January 18 and containing substantially the same information included in the telegram printed here (filed separately under 661.68/1-1850) was handed to French Embassy Counselor Gontran Begoügne de Juniac during a call at the Department of State on January 18. Charles W. Yost, Acting Director of the Office of Eastern European Affairs, took the occasion to emphasize to M. de Gontran that the United States was giving aid to Yugoslavia because its defiance of the Soviet Union was of great benefit to all the Western nations and hoped that France and other nations would likewise contribute as best they could toward the common objective. Yost also expressed the hope that the French Government might feel able, without prejudice to the ultimate settlement of compensation claims for prewar French properties in Yugoslavia, to encourage Franco-Yugoslav trade during 1950 while Yugoslavia was engaged in the initial process of reorienting its trade from the East to the West (memorandum of conversation by John C. Campbell, January 18, 1950: 751.5 MAP/1-1850).

611.68/1-1450

Memorandum of Conversation, by Mr. Roy M. Melbourne of the Office of Eastern European Affairs

CONFIDENTIAL [WASHINGTON,] January 14, 1950.

Participants: Mr. Dean Rusk, Deputy Under Secretary
His Excellency Sava Kosanovic, Yugoslav Ambassador
Mr. Roy Melbourne, EE

During the course of his interview this morning[1] the Yugoslav Ambassador expressed his great pleasure at the recent US statements upon Yugoslavia, which he specified as having been made by the President and Ambassador Allen.[2] He affirmed that they had a very heartening effect in Yugoslavia by "removing some of the pressure" and by serving to give the Yugoslavs a "feeling of safety". Mr. Rusk added that he had publicly said that he was opposed to the form of economic

[1] According to a separate memorandum of conversation by Melbourne, not printed, Ambassador Kosanović had requested an interview with Deputy Under Secretary Rusk on the basis of instructions from his Government to discuss the question of Greece. Yugoslavia was concerned over the possibility of anti-democratic political changes in the Greek Government and feared that such changes would make more difficult the prospects of improving Greek-Yugoslav relations (781.00/1-1450).

[2] George V. Allen, who was appointed Ambassador to Yugoslavia on October 27, 1949, arrived in Belgrade on January 20, 1950, and presented his credentials on January 25. On December 22, 1949, shortly before his departure for Europe, Ambassador Allen had a conversation with President Truman at the White House. At his press conference later the same day, President Truman emphasized that the United States was opposed to aggression against any country no matter where it was situated. For an account of the statements by Ambassador Allen and President Truman, see the *New York Times*, December 23, 1949, p. 6. For the text of President Truman's press conference, see *Public Papers of the Presidents of the United States: Harry S. Truman, 1949* (Washington, Government Printing Office, 1964), pp. 584-587.

and social system operating in Yugoslavia, but that he equally maintained Yugoslavia's right to an independent existence.[3]

Following Mr. Rusk's remark, the Ambassador then offered a defense of the Yugoslav system so that the former could maintain his support of Yugoslavia "with a better conscience". Mr. Kosanovic asserted that the only hope for the economic and social development of Yugoslavia was through Communism, that he was not a Communist, and that he had opposed the pre-war regime virtually 20 of his 25 years in politics. After the war when he and similar men had been faced with the return of what they considered to be the same political-military cliques and of King Peter [4] as a symbol of Serb chauvinism, Communism had been the alternative choice made. He and others like him had believed that the idea of a Yugoslav State should be preserved and that the blame for internecine strife during the war had to be lifted from the various nationalities, like Croat or Serb, and best placed upon the pre-war institutions, among which was the monarchy.

In response to questions by Mr. Rusk concerning conditions in Yugoslavia, the Ambassador said that they were improving and that affairs would settle down even more after the pending election. There was sufficient food this winter, but that economically much progress remained to be made, although the foreign trade balance picture had recently improved. To the question whether the British loan would be of great assistance, the Ambassador said, not immediately, but that it had great future promise.

Asked if he believed the spring would bring a renewal of pressures against Yugoslavia, Ambassador Kosanovic responded by expressing his personal feeling that no guerrilla or other types of activity would be started by the USSR so long as Yugoslav economic conditions continued to improve, and thus he discounted any such Soviet actions for this spring.

[Roy M. Melbourne]

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[3] Deputy Under Secretary Rusk was here presumably referring to remarks he made in the course of his address entitled "The Stake of Business in American Foreign Policy" made before the Boston Conference on Distribution in Boston on October 10, 1949. For the text of that address, see Department of State *Bulletin*, October 24, 1949, pp. 630–633.

[4] Former King Peter II of Yugoslavia, in exile since 1941.

668.81/1-2450

Memorandum of Conversation, by the Officer in Charge of Balkan Affairs (Campbell)

SECRET [WASHINGTON,] January 24, 1950.

Lord Jellicoe [1] called to say that the British Foreign Office wished to get the Department's views on a possible approach to the Greek and Yugoslav Governments with the purpose of improving relations between them. The Foreign Office feels that there are indications, for example Kardelj's speech of December 28 [2] and his interview with Peake a week earlier,[3] that the Yugoslavs are ready to establish more friendly and cooperative relations with Greece; the Greeks have also affirmed their desire for better relations with Yugoslavia. For various reasons, the Foreign Office considers the present moment opportune for a joint US–UK approach to the two Governments in order to bring them closer together. They mentioned the fact that the situation is more favorable now with a care-taker government in Greece [4] and with Pipinelis [5] still in the Foreign Office than it has been in the past or might be after the elections. The Foreign Office thinks that the Yugoslavs are now very much concerned over additional Soviet pressures which may be applied against them in the spring and summer and may be in a mood to listen to Western advice on the subject of relations with Greece, Italy and Austria. Since the Greeks have already approached the French Government as well as the UK and US on this question, the British think that France should be brought into any common action agreed upon.[6]

The Foreign Office would like to know whether the US agrees that an approach of the type mentioned above would be desirable. If it is undertaken, they say, it should be done immediately; if delayed until a date much closer to the Greek election, it would be likely to cause embarrassment to all concerned by being injected into the electoral campaign.

[JOHN C. CAMPBELL]

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[1] Second Secretary of the British Embassy in Washington.

[2] Regarding the speech under reference here, see footnote 2, p. 1348.

[3] Lord Jellicoe called on Campbell on January 10 to show him copies of telegrams giving details of conversations between Sir Charles Peake, the British Ambassador in Yugoslavia, and Yugoslav Foreign Minister Kardelj (memorandum of conversation by Campbell, January 10: 641.68/1-1050).

[4] On January 6, 1950, following the resignation of the Greek cabinet of Prime Minister Alexander Diomedes, John Theotokis formed a "caretaker government" pending the outcome of the Greek national election on March 5, 1950.

[5] Panayotis Pipinelis, Greek Permanent Undersecretary of State for Foreign Affairs.

[6] On January 27 Gontran Begoügne de Juniac, First Counselor of the French Embassy in Washington, called at the Department of State to inquire as to the Department's reaction to the British proposal and to indicate that the French Government was inclined to take a negative view of the proposed *démarche* (memorandum of conversation by Yost, January 27: 667.81/1-2750).

611.68/1-2450 : Telegram

The Secretary of State to the Embassy in Yugoslavia

SECRET WASHINGTON, January 24, 1949—8 p. m.

49. For Allen. Ur 77, Jan 22.[1] In dealing with ranking Yugo officials in near future, including Tito, Dept believes advisable proceed cautiously whenever conversations veer to possible further econ aid or prospective future mil assistance. Yugos understandably desire, without making formal requests, to secure fullest details US intentions if country's econ difficulties grow or relations with Sovs become critical.

At this stage Dept wishes avoid initiation any serious top-level discussions above topics unless Yugos make formal requests attributable solely to their own initiative. Economically Yugos aware US aiding them solve short-term internatl balance of payments problem and supporting their internatl bank loan request. Re Sov threat to Yugo independence and question of mil aid, Dept considers undesirable at this time to interpret US position beyond statements made Dec 22 by you and Pres.

In introductory meeting with Tito you may wish to express desire to increase personal and official contacts between Emb and Yugo govt while likewise developing cultural and other associations between both countries. In this respect you might point to recently concluded mutually beneficial air agreement.

ACHESON

[1] Not printed. In it Ambassador Allen reported on a courtesy call upon Yugoslav Foreign Minister Kardelj. In response to the Ambassador's question, Kardelj expressed the firm opinion that the Soviet Union would make the same mistakes in dealing with China that it had with Yugoslavia. Kardelj observed that the Soviet Government's great fault was having lost touch with the people. Every revolutionary movement, including the American Revolution, had to be ruthless at the start but had to move towards democracy to continue to enjoy popular support. In response to a further inquiry by the Ambassador, Kardelj said that a visit with Yugoslav Prime Minister Tito (Josip Broz) would be arranged promptly. (661.93/1-2250)

611.68/1-2650 : Telegram

The Ambassador in Yugoslavia (Allen) to the Secretary of State

SECRET BELGRADE, January 26, 1950—5 p. m.

97. During hour and half conversation with Tito today we discussed in great frankness and friendliness considerable number of subjects, some of which I shall report in separate telegrams.[1]

[1] In his telegram 98, January 26, from Belgrade, not printed, Ambassador Allen reported that, after discussing matters of direct American-Yugoslav concern with Marshal Tito, he had taken up the question of Greek children removed from

Footnote continued on following page.

As regards additional assistance from US (Deptel 49 January 24 [2]) Tito made no specific requests or suggestions but expressed hope for increased exchange of goods and said close economic relations with US was essential. He believes Soviet Union will do everything in its power to cause Yugoslavia to crumble economically and politically. He regards success or failure of Yugoslav Five Year Plan as supreme test for Yugoslav's future, with important implications for rest of world as well.

I asked whether he thought USSR and satellites would take only economic and propaganda measures against Yugoslavia. He expressed belief that something was brewing at present. He referred particularly to recent Rumanian action in stopping all rail communications with Yugoslavia and said Soviets would most likely try to produce internal unrest in Yugoslavia through increasing economic difficulties and by infiltrating agitators against regime. He seemed to regard possibility of unrest in Yugoslavia due to economic hardship with some seriousness. He expressed confidence USSR did not want war.

I took occasion to say, in all frankness, that in my own view, outright economic aid from US would face serious difficulties. I referred to considerable opposition in US Congress to aid to Britain when that country is nationalizing industry. I said most Americans consider nationalization poor way to produce wealth, and while they recognized right of Britain to nationalize, they object to having American tax payer subsidize it. I said much greater objection on this score would be raised as regards Yugoslavia.

Tito said he recognized difficulty but that Yugoslavia had no other course than remain Socialist state. I emphasized that we had no desire to try to make Yugoslavia change its system but that frank discussion of difficulties was best basis for friendly relations.

Tito expressed desire to discuss matters of mutual concern frequently.

Basic impression made on me by Tito was one of calmness, competence, and determination.

ALLEN

Footnote continued from preceding page.

Greece during the civil war there. Tito declared that he was firmly attached to the principle that children should be with their parents wherever their parents might be. He stated that most of the Greek children had gone to Czechoslovakia and elsewhere following the break between Yugoslavia and the Cominform nations. A majority of those remaining in Yugoslavia were of Slavic origin and did not wish to return to Greece. He would, however, give instructions immediately to find all genuine Greek children remaining in Yugoslavia whose parents were in Greece and send them back promptly (781.00/1–2650). Telegram 101, January 26, from Belgrade, not printed, reported that Ambassador Allen also raised with Tito the American desire to have an Embassy plane based in Belgrade. Tito replied promptly that he could see no reason why a plane could not be based in Belgrade, provided prescribed regulations were followed (124.682/1–2650). For Ambassador Allen's report on another aspect of his conversation with Tito, see despatch 106, February 3, from Belgrade, p. 1362.

[2] *Supra.*

781.00/1–1950 : Telegram

The Secretary of State to the Embassy in Yugoslavia

CONFIDENTIAL WASHINGTON, January 30, 1950— 6 p. m.

59. Amb Kosanovic addressed note Dept Jan 19 re press reports Grk Orthodox Archbishop North and South Amer protesting to Pres that Yugo unfulfilling unanimous UNGA decision repatriate Grk children. Note asserted names on Internatl Red Cross list submitted Yugo not in Grk spelling and contained no names of children now in Yugo. Yugo had requested new correct list which when recd wld permit it fulfill obligation in spirit UN decision.[1]

Dept, in view record Yugo dilatoriness and deep US concern above subj, has drafted reply urging Yugo fulfill obligation soonest. Note outlines identification and other difficulties as elaborated by Internatl Comites of Red Cross and League of Red Cross Societies to SecyGen UN Oct 5, 1949, implying good will on both sides required to overcome them. Dept note mentions Yugo has not yet made available lists of children requested by Internatl Red Cross agencies for year; reiterates UN decision children shld be returned promptly; asserts Yugo shld not permit technical difficulties stand in way; states conditions Greece suitable for children's return: recalls Internatl Red Cross report suggested method surmounting identification problem by checking doubtful cases within Yugo; encloses exchange of tels between Pres and Archbishop.[2]

Tito statement (ur 98 Jan 26 [3]) most encouraging toward solution this problem. However, Dept believes in light Yugo Emb note and Yugo failure thus far to act, its pending reply shld be transmitted in order to reaffirm US concern and afford added spur to action. At same time Yugo Emb will be informed Dept does not intend make text public.

Ur comments requested.

ACHESON

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[1] Ambassador Kosanović's letter is not printed. A memorandum by John C. Campbell of his conversation with Kosanović on the occasion of the delivery of the letter is filed separately under 781.00/1–1950. For additional documentation on the question of the return to Greece of those Greek children removed to Yugoslavia during the Greek Civil War, see vol. v, pp. 335 ff.

[2] Ambassador Kosanović was called to the Department of State on February 24 to receive personally the Secretary of State's reply of that date to the Ambassador's letter of January 19. John C. Campbell took the occasion of the delivery of the Secretary's reply to remind Kosanović of the Department of State's hope that relations between Yugoslavia and Greece might be improved (memorandum of conversation by Campbell, February 24: 781.00/1–1950).

[3] See footnote 1, *supra*.

S/S–NSC Files : Lot 53 D 351 : NSC 18 Series

Memorandum by the Deputy Under Secretary of State (Rusk) to the Executive Secretary of the National Security Council (Lay)[1]

TOP SECRET WASHINGTON, January 31, 1950.

Subject: First Progress Report on the Implementation of NSC 18/4, "United States Policy Toward the Conflict Between the USSR and Yugoslavia."[2]

In accordance with the approved procedures of the National Security Council there is given below an initial report of progress following the assignment of action on NSC 18/4, "United States Policy Toward the Conflict Between the USSR and Yugoslavia." With the initiation of periodic reports on this document, similar reports on its predecessor, NSC 18/2,[3] are being discontinued.

The policy of limited economic support of Yugoslavia with such added help as is necessary to enable the Yugoslavs to maintain their resistance to Soviet pressures has been carried on, beyond the assistance already given before the adoption of NSC 18/4, by (1) U.S. support of a contemplated multi-project $25 million equipment loan from the International Bank; (2) diplomatic efforts to hasten the important British-Yugoslav trade and credit agreement, signed on December 26, 1949; (3) attempts, so far unsuccessful, to persuade the Belgian Government to postpone certain payments becoming due from Yugoslavia; (4) efforts to increase Yugoslavia's dollar earnings by ECA off-shore procurement in Yugoslavia. In order to meet the pressing Yugoslav need for emergency credits to cover the dollar gap in its balance of payments, the Department of State is seeking means whereby some $20 million in credits may be made available to assure the requisite Yugoslav imports of hard currency raw materials in 1950. Possible sources are raw material credits from the Export-Import Bank, a Yugoslav drawing from the International Monetary Fund, and ECA off-shore procurement.

NSC 18/4 envisages the possibility of the shipment of arms to Yugoslavia in certain contingencies. The Yugoslav Government has begun to purchase some military supplies abroad but has not yet made a specific request of the United States for assistance in this field. Further implementation of U.S. policy in this respect will depend in large measure on specific Yugoslav requests, on estimates of the Yugoslav military position now being made, and on discussions now in progress with other Western nations.

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[1] James S. Lay, Jr. succeeded Sidney W. Souers as Executive Secretary of the National Security Council on January 16, 1950.

[2] Dated November 17, 1949, p. 1341.

[3] For information regarding the document under reference here, see the editorial note, *Foreign Relations*, 1949, vol. v, p. 868.

A working group composed of representatives of the State and Defense Departments is currently estimating, as a matter of priority, Yugoslav requirements for military supplies. The Joint Intelligence Committee has been requested through CIA to furnish an estimate of the situation covering the following points:

1. Forces now in being in Yugoslavia in terms of major combat units and strengths.
2. Forces which can be mobilized by D plus 6 in terms of major combat units and strengths.
3. Strength and composition of police forces.
4. Types by broad categories such as small arms, aircraft and ship types, and sources of equipment now on hand.
5. Estimate of Russian and satellite capabilities.

After completion of the above study the working group will prepare a study estimating Yugoslav needs and making recommendations on the extent and manner by which U.S. supplies might be made available at the appropriate time.

A study is being initiated under the auspices of the Foreign Military Assistance Correlation Committee (in consultation with the Bureau of the Budget) of means to provide military assistance to Yugoslavia on an emergency basis, since such assistance is not provided for in existing legislation.

The Department of State has initiated discussions with other interested governments on the subject of possible military assistance to Yugoslavia and on other points covered in NSC 18/4. On December 20, 1949, the British Government was informed of the main conclusions of that document. The Canadian and French Governments were subsequently informed.[4] As the discussions with these Governments go forward, there should be further clarification of the possibilities of coordinating Western policies in dealing with the Yugoslav situation.

In the field of propaganda and public information, the policies outlined in NSC 18/4, in so far as they are at present applicable, are being supported by the Voice of America and related activities under a directive prepared by the Department of State.

Some of the conclusions of NSC 18/4 are based on future contingencies which have not yet come to pass and accordingly are not discussed in this progress report.

DEAN RUSK

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[4] Regarding the steps taken to inform the French Government of the points covered in NSC 18/4, see telegram 179, January 13, to Paris, p. 1353.

768.00/2-350

The Ambassador in Yugoslavia (Allen) to the Secretary of State

SECRET BELGRADE, February 3, 1950.

No. 106

During my conversation with Tito January 26, 1950[1] he said he was aware of considerable discontent in Yugoslavia, particularly among peasants, and that this discontent was due not only to disruption of previous Yugoslav economic and social system but also to "rough" methods he had had to employ. He expressed regret at necessity for these methods and said he had been "as little rough" as possible and would relax to extent future permitted. (I quote words used by translator, [Srdja] Prica, Deputy Foreign Minister. Tito spoke in Serbian after few introductory words in English, which he speaks very slightly.)

Tito went on to point out that any revolutionary movement, and particularly a social revolution, must employ rough methods to establish itself. He said even in the American Revolution, which was largely political but somewhat social in character, the American patriots had handled the Tories and loyalists "somewhat roughly" in certain cities, "seized their villas, etc.". He hoped he could begin to relax his rough methods soon, and said the sooner he no longer needed them the better he would like it.

This gave me good opportunity to point out that one of outstanding things which created misunderstanding between Americans and Yugoslavs was considerable number of Yugoslav political prisoners who had relatives in U.S. or some American connection. I said many Americans found it difficult to understand how Yugoslav Government could in any logic express desire to develop friendly relations with U.S. while still retaining in prison at hard labor persons, including former employees this Embassy, who were charged with espionage on behalf of U.S. I said I was aware of delicacy of this question since all prisoners concerned were considered Yugoslav citizens as far as I was aware and that I did not propose to concern myself with questions which could properly be termed internal. However, I believed he would wish me to speak frankly on any subject which created misunderstanding between his country and mine.

Tito smiled, said he was fully aware of American interest in subject and said he thought something could be done, although development might have to be gradual.

I did not consider it advisable to press the point further with Tito at the moment but plan to mention it to Prica again soon. Principal difficulty is that some prisoners on whose behalf I have been requested

[1] Regarding the conversation under reference here, see telegram 97, January 26, from Belgrade, p. 1357.

to intercede by members U.S. Congress were actually engaged, I have now learned, in subversive activity on behalf royalist Yugoslav refugees. I believe we should be most careful to avoid giving Tito any basis for believing we are concerned with restoration of Yugoslav monarchy.

GEORGE V. ALLEN

768.5/2-650 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

TOP SECRET PARIS, February 6, 1950—4 p. m.

579. Deptel 179, January 13 [1] and Embtel 200, January 16.[2] We took occasion over weekend to inquire again of Couve de Murville when we might expect indication French views on questions we had put to him re possible courses of action in Yugoslav situation.

He said that matter was still under study and he could not predict when reply would be forthcoming. He added, however, that as far as present policy and questions involving UN were concerned he felt sure there would be no serious differences of opinion over our suggestions. Question of arms was more difficult and French were considering it in relation to the overall supply problem. In other words French could not ignore fact that supply of arms for non-Communist world is limited and that "a tank for Yugoslavia means one less tank for others" (read France). Furthermore, Couve said that according to their information there was no chance of Yugoslavs holding out for appreciable length of time in event of direct Soviet aggression and that Yugoslavs themselves were thinking in terms of again "taking to the mountains" in such event. This was an added reason why French were thinking of military aid to Yugoslavs largely in terms of what would be appropriate in support of guerrilla warfare.[3]

BRUCE

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[1] *Ante*, p. 1353.

[2] Not printed, but see footnote 3, *ibid.*

[3] A formal reply to the American inquiry on possible courses of action in the Yugoslav situation was contained in a French Foreign Ministry note of February 23 to the Embassy of France, a copy of which was transmitted to the Department of State as an enclosure to despatch 375, March 1, from Paris, neither printed (611.68/3-150). The note followed the general line set forth in this paragraph.

668.81/2-650

Memorandum by the Officer in Charge of Greek Affairs (Cromie) to the Director of the Office of Greek, Turkish, and Iranian Affairs (Jernegan)

CONFIDENTIAL [WASHINGTON,] February 6, 1950.

Subject: Greek-Yugoslav Relations

In talking with Messrs. Campbell and Melbourne (EE) last week about the draft reply to Ambassador Kosanovic's note on the Greek children,[1] I took occasion also to pass on some of your ideas on the broader aspects of Greek-Yugoslav relations. I repeated notably your concern over the apparent recent hardening of the Yugoslav attitude as exemplified by Vladimir Dedijer's [2] press statement of January 14 that "only democratization of Greece will be a step toward the normalization of relations between Yugoslavia and Greece" and Ambassador Kosanovic's *démarche* to Mr. Rusk in the same sense on the same date.[3] I repeated your thought that it may be about time to inform the Yugoslavs that there is little likelihood of there being any "democratization" of Greece in the sense they desire, that the Government resulting from the March 5 elections will probably be roughly similar in orientation to its predecessors, and that the Yugoslavs had better adjust their relations with Greece on the basis of realities. I added my own thought that the policy of not requiring political concessions from Tito in exchange for our economic support, while basically sound, should not be carried so far as to enable Tito to play both ends against the middle.

Mr. Campbell replied that the important point to drive home to the Yugoslavs is that it is to their interest to adjust their differences with Greece irrespective of what Government might be in power in that country. Mr. Melbourne thought that the Yugoslavs might be induced to undertake a *rapprochement* with Greece on a step by step basis. The reopening of the Belgrade–Salonika railroad would seem the first and most logical step. The facilities are already there, they functioned in the past, and since rail communications do exist between the Cominform area and western Europe, Cominform propaganda exploitation of the reopening to discredit Tito should not be too effective.

Mr. Campbell then went on to discuss the British proposal, conveyed to Mr. Campbell by Lord Jellicoe on January 24, for a tri-partite US-UK-French *démarche* to the Yugoslavs on Greek-Yugoslav relations,[4] and showed me the Department's draft reply [5] to the effect

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[1] See telegram 59, January 30, to Belgrade, p. 1359.
[2] Yugoslav Director of Information and Propaganda.
[3] See footnote 1, p. 1354.
[4] See Campbell's memorandum of conversation on January 24, p. 1356.
[5] Not printed.

that continuing parallel pressure at Belgrade by the three Western missions would be preferable. Mr. Campbell said, however, that this reply was being held up and the whole matter left in abeyance as a result of the recent visit to Belgrade of Sir Horace Rumbold [6] of the British Foreign Office who had concluded that the time was, after all, not ripe for the proposed *démarche*.

Mr. Campbell said that he would bear in mind your views, as outlined above, to be passed on to the British and French on appropriate occasion and to be conveyed to the western Ambassadors at Belgrade as standing guidance.

[LEONARD J. CROMIE]

[6] Head of the Southern Department of the British Foreign Office.

751G.02/2–450 : Telegram

The Secretary of State to the Embassy in Yugoslavia

CONFIDENTIAL WASHINGTON, February 7, 1950—7 p. m.

84. Urtel 133, Feb 4.[1] Dept much concerned over possibility Yugo recognition of Ho.[2] Sov recognition of Ho in present circumstances clearly designed further Commie expansionist aims. Recognition by Yugo wld strengthen very forces against which it is fighting for its own independence. Yugo action in recognizing Ho wld not be understood by those who voted for Yugo membership SC since it wld be considered as active Yugo participation in Cominform conspiracy against others.

The provocative and disruptive effect of such action by Yugo shld not be underestimated. In Washington, for example, we have been taking the most extraordinary steps to find funds with which to support Yugo independence. The effort has required personal attn of President, Secretaries of State, Defense and Treasury, Directors of Exim Bank and may require help from Congress. Recognition of Ho by Yugo wld raise such formidable difficulties we frankly cannot see how we can get through them. Further, such action by Yugo wld increase pressure on France, wld increase Fr requirements for men and material and wld thereby bring about greater Fr demands upon US for assist. We cannot dissipate our limited resources in any such fashion.

Since Yugo has no important interests in Indo-China and Ho wld presumably not in any case acknowledge recognition, Yugo action

[1] Not printed.

[2] Ho Chi Minh, President of the Democratic Republic of Vietnam. The Ho regime was recognized by the Soviet Union on January 31, 1950. For documentation on the interest of the United States in developments in Indochina, see vol. VI, pp. 690 ff.

wld appear to be unnecessary, wld probably produce a rebuff and wld constitute a gratuitous gesture likely jeopardize rather than promote Yugo interests.

We do not wish make direct threats Yugo Govt but you shld use as much of foregoing as necessary to ensure they clearly understand seriousness of obstacles which Yugo recognition of Ho wld create.[3]

ACHESON

[3] In a memorandum of February 8 to Paul H. Nitze, Director of the Policy Planning Staff, John Paton Davies, Jr., member of that Staff, observed that the warning contained in this telegram was fine as far as it went, but that it did not go far enough. Davies feared that it might occur to Yugoslav leaders that the United States was seeking to persuade them to recognize the regime of Bao Dai in Indochina. Davies observed that it would not be advantageous to either Yugoslavia or the United States for Yugoslavia to recognize Bao Dai. Such recognition would place Yugoslavia further in the so-called "imperialist" camp and thereby seriously compromise its utility to the United States as the inspirer of nationalist deviation in the Soviet orbit. Furthermore, Davies suggested that it could be advantageous to the United States were Yugoslavia able to establish contacts with the Ho regime (768.02/2-850).

Yugoslavia recognized the Ho Chi Minh regime on February 25, 1950.

868.10/2-850

Memorandum by the Assistant Secretary of State for European Affairs (Perkins) to the Secretary of State[1]

SECRET [WASHINGTON,] February 8, 1950.

Subject: Financial Assistance to Yugoslavia

Problem

To determine the source of future financing for Yugoslavia and thereby enable the Eximbank to provide interim financing without delay.

Discussion

On February 3, 1950 the NAC[2] approved consideration by the Eximbank of $9.3 million raw material financing for Yugoslavia, but with the understanding that, prior to Eximbank action, a determination would be made by the Secretaries of State and of Treasury,

[1] This memorandum was drafted by Gustavus Tuckerman of the Office of Eastern European Affairs and was cleared with Leroy D. Stinebower of the Office of Financial and Development Policy.

[2] The National Advisory Council on International Monetary and Financial Problems was composed of the Secretary of the Treasury (as Chairman), the Secretary of State, the Secretary of Commerce, the Chairman of the Board of Governors of the Federal Reserve System, and the Administrator of the Economic Cooperation Administration. The Council coordinated the policies and operations of the representatives of the United States on the International Monetary Fund and the International Bank for Reconstruction and Development, the Export-Import Bank of Washington, and all other agencies of the Government participating in the making of foreign loans or engaging in foreign financial exchange of monetary transactions.

possibly in consultation with the President,[3] as to the source of additional funds likely to be required during 1950 and 1951.

In view of Yugoslavia's problem of suddenly redirecting its trade from East to West and of the possible lessening of its ability to export in the event of increased Russian pressure, it is impossible closely to estimate the funds likely to be required. Nevertheless for planning purposes it is advisable to assume that the funds required for raw material financing will approximate $30 million for 1950 and possibly between $10 and $20 million for 1951. With respect to capital equipment financing, it appears likely that, were the raw material financing problem to be solved, the International Bank and the Eximbank would together cover Yugoslavia's requirements. The problem is therefore to determine a source of some $20 million to cover raw materials during 1950, in addition to the $9.3 million contemplated by the Eximbank, and possibly an additional $10–$20 million during 1951.

Three possible sources have been considered, viz., the Eximbank, participation in ERP, and a special Congresssional appropriation. The question has also been considered as to whether the financing should consist of credits or grants.

It is suggested that, of the three, the Eximbank constitutes by far the preferable source, at least during 1950, for the following main reasons. To maximize U.S. political gains from the Yugoslav secession from the Soviet bloc, it is believed that the aim should be to enable that nation to continue as an independent state, able to maintain itself and to show some improvement in economic conditions. Yugoslavia would thereby continue to establish before world opinion that the primary target of U.S. foreign policy is not any particular economic system *per se* but Soviet imperialism; and its continued existence as an anti-Soviet but still Communist state should create the maximum amount of dissension within and magnetism upon the other satellites. In order to achieve this aim, it seems certain that the kind of financing required consists of balance of payments credits, rather than grants. The latter would involve, *inter alia*, public acknowledgement of a relationship of dependence of Yugoslavia upon the United States. As to whether credits had best be extended by the Eximbank on a piecemeal basis or possibly under ERP on a fixed basis as a result of

[3] According to his memorandum of conversation with President Truman on February 2, not printed, Secretary of State Acheson discussed the problem of financial aid for Yugoslavia with the President in general terms. The Secretary pointed out that it might be necessary to bring the problem before the President for decision if it proved impossible to reach agreement as to which government agency would be responsible for furnishing funds for Yugoslavia. The President stated that he was willing to deal with the matter and recognized the overriding importance of providing financial aid to Yugoslavia (Secretary's Memoranda, Lot 53 D 444, Memoranda of Conversation—February 1950). Lot 53 D 444 is a comprehensive chronological collection of the Secretary of State's memoranda and memoranda of conversation for the years 1947–1953, as maintained by the Executive Secretariat of the Department of State.

Congressional action: it is suggested that, in view of the special and rather fluid nature of the political relation between the U.S. and Yugoslavia, it would be much more practicable were credits to be extended as circumstances warrant by the Eximbank in close collaboration with the Department. Finally, were credits to be extended by the Eximbank, it would obviate the necessity of formal Congressional action and public debate which, it is believed, both the Department and the Yugoslav Government would prefer to avoid at this time.

As to ERP, in estimating the funds required during 1950 account has already been taken of possible Yugoslav dollar earnings under offshore procurement by ECA, including such procurement as would entail a major change in ECA's present policy. In order that ERP be a source of additional funds, Yugoslavia would have to become a participating country. Even if attempted on an informal basis, this would involve the agreement of the OEEC countries, the willingness of the Tito regime to adhere to a joint program and to enter into an ECA bilateral agreement with the U.S., which is published by the U.N., and public debate vis-à-vis Yugoslavia, including exposure of the facts of its economic situation. It is considered inadvisable that Yugoslav participation be considered at this time. Its participation would be out of line with the aim of Yugoslavia continuing as an independent Communist state. Furthermore, it is unlikely that at this time the Tito regime would be willing to risk participation and to submit to the exposure of its economic situation. However, in case other sources are not found, the legal aspects of a separate title appropriation under the Foreign Assistance Act [4] as well as possible Yugoslav membership in the proposed European Clearing Union [5] are being explored.

With respect to a special Congressional appropriation, in view of what has already appeared, it is suggested that this source be considered only as a last and rather desperate resort.

During the past month the NAC has considered a possible Yugoslav drawing on the IMF. This has been dropped for the time being. The Yugoslav dollar exchange and raw material situation has meanwhile become so critical that assistance is necessary without further delay. What the Yugoslavs require, partly to strengthen the civilian economic situation, and partly to be better prepared for a possible increase in Russian pressure this spring, are dollars which may be spent for cotton, gasoline (including aviation), chemicals (including explosives) etc. The Eximbank up to now has hesitated to finance such items. In the absence of a Yugoslav drawing on the IMF, it is believed that

[4] A marginal handwritten notation on the source text at this point, probably written by Assistant Secretary of State Perkins, reads as follows: "this would also involve a bilateral."

[5] For documentation on the proposed European Clearing Union under reference here, see vol. III, pp. 1 ff.

such items must be promptly financed if the maintenance of the Tito regime is to be assured.

Recommendation

It is recommended that the Secretary confer with Secretary Snyder and, if desirable, with the President, indicating that Eximbank balance of payments credits appear to constitute the preferable source and kind of financing.[6] The desideratum would appear to be sufficient assurance that the Eximbank will be prepared to extend up to $30 million of credits to Yugoslavia in 1950 if necessary. This assurance should not be announced at this time, either publicly or to Yugoslavia, but the Bank should be prepared to make available immediately a $10 million balance of payments credit and to extend additional financing similar in kind later in the year as needed.

[6] According to a memorandum of February 17 by Lucius D. Battle, Special Assistant to the Secretary of State, not printed, Secretary Acheson stated on his return from the Cabinet meeting that morning that he had discussed the question of financial aid to Yugoslavia with Secretary of the Treasury John W. Snyder. Snyder was perfectly willing to concur with Department of State views on the matter and agreed that the Export-Import Bank was the proper place for the loan. Snyder suggested that he and Secretary Acheson visit the Export-Import Bank and discuss the question with its officers (Secretary's Memoranda, Lot 53 D 444, Memoranda of Conversation—February 1950).

868.00/2–850 : Telegram

The Secretary of State to the Embassy in Yugoslavia

SECRET PRIORITY WASHINGTON, February 11, 1950—noon.

95. Embtel 152 Feb 8.[1] Current status economic aid to Yugo urinfo only fols:

1. Re most urgent matter, that of obtaining immed some $10 mil for purchases cotton, gasoline, chemicals, other raw materials bolster civ economy and mil defense: Due US policy IMF drawings, NAC unwilling recommend at this time release $6 mil this source. Proposal that Eximbank will make immed available $10 mil bal payments credit (i.e., funds spendable on items cited above) being urgently considered highest levels. Bank may also be asked for assurances it will extend additional financing of same kind during 1950 if necessary.

2. Action on Eximbank $5 mil equipment credit held up temporarily only, pending clarification raw material financing problem.

[1] Not printed. It reported that Yugoslav Foreign Minister Kardelj had summoned Ambassador Allen that morning and made an extended presentation of Yugoslavia's urgent need for economic assistance. In concluding his report on the conversation, Allen expressed the view that it was highly important both economically and politically to expedite measures to ease Yugoslavia's balance-of-payments difficulties. He felt that continued uncertainty would be psychologically depressing and possibly dangerous to American interests (868.00/2–850).

3. Dept understands no real progress recent weeks or until after British elections Feb 23 toward IBRD being able decide in principle on $20–$25 mil Yugo application. This because IBRD desires extend multi-currency loan, about half US dols, other half sterling, lira, and Belgian, Swiss and French francs, with UK participating substantially in Western Eur half. Bank not pressing Brit until after election. Other Western Eur govts believed waiting see what Brit do. Dept may urge Bank consider proceeding rapidly dol part of loan, making it as large as possible, other part when feasible. Dept views this necessary if IBRD financing is to be provided relatively near future. However, settlement prewar dollar bond debt may be prerequisite even to this step. Representative bondholders expected proceed Belgrade shortly.

4. As indicated Deptel 84 Feb 7,[2] however, recognition Ho cld jeopardize all proposed arrangements.

5. Dept also feels publicity, such as Handler[3] story in yesterday's *NY Times* in which essential features your conversation with Kardelj set forth, likely render negotiations more difficult by conveying to officials other US Govt agencies impression pressure being applied to them. You may wish so to indicate to Yugos if story orginated with them.

6. You may wish inform Kardelj gravity Yugo dol exchange and raw material situation fully realized US Govt; and that serious efforts being made find funds most appropriate and available from point of view Yugo and US Govts.

ACHESON

[2] *Ante*, p. 1365.

[3] M. S. Handler, foreign correspondent for the *New York Times*.

768.00/2–1950 : Telegram

The Ambassador in Yugoslavia (Allen) to the Secretary of State

SECRET NIACT BELGRADE, February 19, 1950—6 p. m.

215. Tito opened election campaign[1] yesterday with important speech at Uzice, in which he repeated many times that Yugoslavia would not join any bloc, east or west, and would not permit interference in internal Yugoslav affairs. He made a clear implication that if political conditions were attached to economic assistance from US, Yugoslavia would reject such assistance and do best it could on its own.[2]

[1] The reference here is to the forthcoming elections for the Yugoslav People's Assembly, scheduled for March 26, 1950.

[2] A full English translation of Marshal Tito's election speech at the Serbian town of Titovo Užice on February 18, as published in the Yugoslav press, was transmitted to the Department of State as enclosure to despatch 189, February 24, from Belgrade, neither printed (768.00/2–2450). For the Serbian text of the speech, see *Josip Broz Tito: Govori i Chlantsi*, vol. V (Zagreb: 1959), pp. 7–26.

His most significant and pointed statement clearly referred to Indochina. He said that if Yugoslavia decided that recognition any government was just, Yugoslavia would grant recognition even though this would deprive Yugoslavia of economic assistance from West.

It is evident that Tito's speech was indirect reference our attitude toward possible Yugoslav recognition of Ho Chi Minh as indicated in Deptel 84, February 7.[3] Following receipt of Deptel under reference, First Secretary Fowler, under my instructions, let Yugoslavs know that recognition Ho would not fail to affect attitude of many Americans towards economic assistance to Yugoslavia. Tito clearly interpreted this to be pressure on Yugoslav Government and he took occasion to let us know that he would not countenance pressure from US. I was today asked by American journalists whether political conditions were attached to US assistance to Yugoslavia. I repeated that US had no desire to interfere in internal Yugoslav affairs, that no conditions had been attached to previous US loan, and that no such provisions were concerned with pending loan application.

It is obvious that Tito has been angered by implication that US attitude toward economic assistance will be affected by Yugoslav action re recognition Ho Chi Minh. He has taken this occasion to let us and Cominform know forcefully that he will not allow interference from any quarter.

I do not believe we should become excited by Tito's speech. It was partly for domestic consumption, even though attendant reason may have been warning to US not to interfere in Yugoslav affairs.[4]

ALLEN

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[3] *Ante*, p. 1365.

[4] In his telegram 216, February 20, from Belgrade, not printed, Ambassador Allen observed that Tito's Užice speech was a vigorous, fighting oration opening the national election campaign. By strongly attacking both the East and the West, Tito had appealed to the stubborn nationalistic pride of the Yugoslavs, thereby gaining some support for his party and his own candidacy. Allen took the view that the overwhelming majority of the Yugoslav people remained opposed to Communism and to the police state methods of the current government. Allen commented that Tito's repeated insistence that Yugoslavia would not accept political conditions with economic aid might have been ill-advised as regards American public opinion, but it would be difficult to quarrel with Tito's attitude. Allen expressed the view that Yugoslavia's greatest immediate value to the West was as a Communist state independent of both East and West, and he concluded: "Our ultimate aim must of course be democratic institutions in Yugoslavia but for the moment a Marxist state independent of Moscow suits our purposes." (768.00/2-2050)

868.10/2-2150

The Secretary of State to the Chairman of the Export-Import Bank of Washington (Gaston)

SECRET [WASHINGTON,] February 21, 1950.

MY DEAR MR. GASTON: I am writing to convey to you, pursuant to our conversation of last Monday, my strong support of the Yugoslav request for urgent financial assistance.[1]

The National Security Council has concluded, with the approval of the President, that it is in the national interest of the US that economic aid essential to the maintenance of its internal stability and its independence in the face of Soviet pressure be accorded Yugoslavia. It is our belief that the Government of Yugoslavia will continue its resistance to Soviet domination. It is my judgment that Tito has burned his bridges leading to Moscow. The issue remains as to whether his resistance can be successful. In our view, it is of the utmost importance that he should be successful. This, in turn, depends in important part on the amount and promptness of our aid. As the President said on December 22, the US is just as opposed to aggression against Yugoslavia as against any other country and just as favorable to the retention of Yugoslav sovereignty.[2] Our present information does not indicate, however, that the Soviet Union is preparing military action against Yugoslavia.

For the reasons which were brought out in the recent discussion of this problem by the NAC and which you, Secretary Snyder and I went over in our conversation on Monday, the great danger is that the furnishing of the necessary aid may fall between the agencies which have been working on this program. I believe that in this matter the Export-Import Bank can perform a notable national service and one consistent with its organic act. While many extraneous factors can obviously affect the development of the Yugoslav economy under present circumstances, the Department of State considers, and I believe the experts of the NAC staff concur, that there is a reasonable prospect that Yugoslavia, if it obtains the necessary credits this year, will prove to be able largely to pay its own way during 1951 and thereafter. I would hope therefore that the Board of the Bank might see its way

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[1] A memorandum of February 21 by Lucius D. Battle, Special Assistant to the Secretary of State, not printed, states that Secretary of State Acheson met with Secretary of the Treasury Snyder and Export-Import Bank Chairman Herbert E. Gaston on Monday, February 20, regarding the proposed loan to Yugoslavia. Gaston had been reasonably receptive to the possibility of a loan and discussed the procedures for obtaining consideration by the Bank. Gaston requested a letter from the Secretary of State stating that assistance to Yugoslavia was national United States policy and indicating what the American plans for Yugoslavia were, particularly if the Soviet Union took action against Yugoslavia (Secretary's Memoranda, Lot 53 D 444, Memoranda of Conversation—February 1950).

[2] Regarding the Presidential statement of December 22, 1949, under reference here, see footnote 2, p. 1354.

clear to extending the necessary credits to enable the Yugoslav Government to meet its immediate financial crisis, and to giving favorable consideration to requests for further credits during the current year if they should prove necessary.

I can assure you that I appreciate your cooperation and that of the Board of the Bank in giving urgent consideration to this problem which I consider of such concern to the national interest.

Sincerely yours, DEAN ACHESON

868.10/2–2250 : Telegram

The Secretary of State to the Embassy in France

SECRET WASHINGTON, February 22, 1950—6 p. m.

760. Eyes only for the Ambassador. It is expected Exim Bank will consider Feb 23 and we hope approve credit 20 mil dols to Yugo for purchase urgently needed raw material and capital equipment.[1] Decision will not be announced at this time nor will Yugos be informed. At such time as announcement made and Yugo informed plan is to state that line of credit opened in this amount and Bank will retain control releases. Decision delay announcement based on desire avoid close coincidence announcement recognition Ho and permit preparation public opinion here and in France.

Credit will be extended pursuant US policy, to which Dept attaches greatest importance, of assisting Tito to resist Sov econ pressures and thus successfully maintain his heresy against Cominform. We wld not willingly have chosen moment recognition of Ho by Tito to approve this credit but approval represents conclusion more than two months effort by Dept to find means within this Govt supplying funds of character most urgently needed by Yugos and delay at last moment did not seem wise.

While we strongly disapprove Yugo recognition of Ho and so informed them in advance, we consider policy toward Tito must be realistic based on advantage we can derive from his heresy and not on approval or disapproval. He is Communist and must be expected to act like Communist and periodically to demonstrate in some objectionable fashion his independence of West. We do not consider such demonstrations, unless carried to outrageous lengths, shld deter us from pursuing our primary objectives re Yugo.

Our action in granting Yugo credit in no way indicates any change in our attitude toward Bao Dai or our Indochina policy. We shall await with interest indications as to what prompted Ho's request for Tito's

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[1] The Export-Import Bank finally approved the $20 million credit to Yugoslavia on March 1; see telegram 142, March 1, to Belgrade, p. 1378.

recognition and whether Yugo representative will actually be received at Ho's hdqtrs.

You may use such of foregoing as you consider advisable in discussion with French FonOff. Ur comments and those Belgrade urgently desired.[2]

ACHESON

[2] In his telegram 893, February 25, from Paris, not printed, Ambassador Bruce reported that he had seen French Foreign Minister Schuman that afternoon and had taken the occasion to tell him of the American intention to carry on aid to Yugoslavia despite Yugoslav recognition of the Ho Chi Minh regime. Bruce emphasized that the action in no way reflected any change in the American attitude toward the Indochina problem. Schuman said he understood the American attitude and found it perfectly reasonable (868.10/2–2550).

611.68/2–2450

Memorandum of Conversation, by the Officer in Charge of Balkan Affairs (Campbell)

SECRET [WASHINGTON,] February 24, 1950.

When Ambassador Kosanovich was here in connection with another question,[1] I asked him about Tito's speech at Uzice on February 18.[2] He said that the fundamental point in this speech was that Yugoslavia belongs to no bloc, Eastern or Western. I said that Tito's speech seemed to be directed to the West as well as to the East and to the Yugoslav people. I asked him, insofar as it was directed at the West, what he believed had occasioned Tito's rather strong statements. The Ambassador replied that, for one thing he believed the recent series of anti-Tito articles in *Time*, *The Chicago Tribune*, and elsewhere, had been taken seriously and with some annoyance. He said that he, having lived here a long time, understood the Western press and probably took such articles less seriously than his Government would. More important than this factor, the Ambassador continued, was what he understood to be a proposal concerning Yugoslav participation in the Marshall Plan. It was his understanding that Sir Charles Peake[3] and Ambassador Allen had mentioned the subject to Deputy Foreign Minister Popovic some time within the last few weeks. He, Kosanovich, found it difficult to believe that such proposal could have been made seriously, but apparently Popovic had received that impression, and this may have been a factor in causing Tito to speak as he did on February 18. I said that I was sure that Yugoslav par-

[1] See footnote 2, p. 1359.

[2] Regarding the speech under reference here, see telegram 215, February 19, from Belgrade, p. 1370.

[3] The British Ambassador in Yugoslavia.

ticipation in the ERP had not been proposed and that probably there was a misunderstanding (see Belgrade's telegram 170, February 11[4]). The Ambassador said that he would not expect the Department to make such a proposal and that he hoped we would consult him if we had any intention of making it. He gave it as the firm view of his Government that for political reasons it was out of the question of Yugoslavia to consider participation in ERP. This, he said, would destroy the position which the Yugoslav Government had publicly taken in its controversy with the Cominform countries and would give the Russians the greatest propaganda opportunity they have yet had.

I asked the Ambassador whether the question of Indo China had played any role in the background of Tito's speech. He said that probably it had but he did not know whether Ambassador Allen had talked to the Yugoslav Government about it, as the *Washington Post* had said. I said that the US views had been given to the Foreign Office by the Embassy but not, I believed, by Ambassador Allen himself. He said that the Yugoslav Government would have held off action and probably done nothing about it if it had not received a direct letter from Ho Chi Minh requesting recognition. Having received this letter the Yugoslav Government thought that it presented a real chance to striking a blow at the Soviets and that they must seize it. Ambassador Kosanovich did not appear to be aware of the fact that we had, in giving the Yugoslav Government our views on recognition of Ho, coupled this question with that of economic aid.

[John C. Campbell]

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[4] Not printed. It reported that during a dinner conversation at Ambassador Allen's residence the previous evening, British Ambassador Peake asked Yugoslav Deputy Foreign Minister Vladimir Popović what the Yugoslav Government currently thought of the Marshall Plan. Popović apparently concluded, erroneously, that he was being asked whether Yugoslavia would wish to participate in the Marshall Plan. He replied that it would be politically impossible for Yugoslavia to participate directly since such participation would be regarded as definite adherence to the Western bloc and would play into the hands of Cominform propagandists (868.00/2–1150). Ambassador Allen subsequently related aspects of this dinner conversation and its possible connection to anti-American remarks in Tito's Uzice speech in a talk with Cyrus L. Sulzberger, chief foreign correspondent of the *New York Times* visiting Belgrade. For his recollections of the conversation with Allen, see C. L. Sulzberger, *A Long Row of Candles*, pp. 497–498.

611.68/3-750

Memorandum of Conversation, by the Ambassador in Yugoslavia (Allen)[1]

CONFIDENTIAL [BELGRADE,] February 25, 1950.

I returned today the official call which Soviet Chargé d'Affaires Snjukov[2] made on me February 3rd. During a forty-five minute conversation, he endeavored energetically to find out whether the United States would grant assistance to Yugoslavia.

He began by referring to the "pessimism" in Marshal Tito's latest speech (at Uzice on February 17)[3] and asked why I thought the Marshal felt so obviously doubtful that he would obtain economic aid from the West. I said the impression I got from the Marshal's speech was that he had genuine doubts that the United States would assist Yugoslavia. I thought it possible Marshal Tito might be making the same mistake many people did in thinking that American foreign policy was based primarily on opposition to Marxism or Communism. I said our primary objection was to aggression and subjugation of one nation by another, regardless of the political or economic philosophy of the dominating country or of the country dominated, but that many people, including possibly Marshal Tito, did not understand this fact very well.

Mr. Snjukov commented that the great majority of American literature he read would indicate that our primary object was to obliterate Communism from the world. I agreed that a good deal of the material which came out of the United States would give that impression, but that I personally believed that most of the American speakers and writers who demanded an American crusade against Communism really had in mind aggressive and expanding Communism, spread through force and subversive means, and that they would oppose as vigorously the spread of any other "ism" by that means.

Returning to the subject of Yugoslavia, Mr. Snjukov asked what I thought of the economic situation in the country. I said I thought a simple test could be applied to both the political and economic conditions in any country. If large numbers of the people inside any country were trying to leave it, conditions in the country could not be very satisfactory. I thought that as soon as conditions in Yugoslavia, the Soviet Union or any other country were such that the government could allow anyone to leave without risking a stampede for the exits, I would agree that the conditions in that country had become satisfactory. Until that happened in Yugoslavia or the USSR,

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[1] The source text was transmitted to the Department of State as an enclosure to despatch 221, March 7, from Belgrade, not printed.

[2] Anatoliy Prokopyevich Snyukov, Counselor of the Soviet Embassy in Yugoslavia, serving as Chargé.

[3] See telegram 215, February 19, from Belgrade, p. 1370.

I did not believe that either could claim that their economic situation was very good.

Mr. Snjukov referred to Marshal Tito's reference to political interference from the West, and asked what Tito had in mind. By way of reply, I remarked that the East and West were engaged in a contest to win the friendship of the Yugoslav people. I expressed the belief that the victory would go to the side which convinced Tito and the Yugoslav people that that side was more likely to allow Yugoslavia to run its own affairs. I said I thought the Yugoslavs were testing out the situation, and that whenever they felt they would have more independence through friendship with the Soviet Union than the United States, they would switch to the USSR. I frankly did not believe that moment would ever arise, since Soviet policy in the satellite areas was not encouraging.

Mr. Snjukov promptly switched the conversation to China and said he thought the United States had lost out in China because the Chinese people had become convinced that the United States sought to dominate them through Chiang Kai-Shek,[4] and that the Chinese had turned to the USSR for that reason. I said that while the USSR appeared to have won the first set in our match over China, the winner might not be determined for some time, possibly five or ten years. However, I agreed that the contest in China would turn on the same point as in Yugoslavia, i.e., whether the governments and the people thought the United States or the USSR were the more genuine friends of their independence. I referred to the support we had given Chinese independence for a hundred years and said I felt no nervousness about the final outcome in the Far East.

Mr. Snjukov referred to George Kennan's[5] recent article in the *Reader's Digest*[6] as evidence that the chief reliance of the United States, in its contest against the Soviet Union, was on our military strength rather than on principle. I agreed that the excerpt from Mr. Kennan's article, as carried in the Department's Radio Bulletin No. 45,[7] (which was Mr. Snjukov's source of information) might give that impression, but I believed the article as a whole would give a contrary impression. Mr. Snjukov said that the Kennan article was further evidence to him that the United States was determined to eliminate Communism from the world, no matter how peacefully the Soviet Union might try to live behind its own frontier. I expressed

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[4] President of the Republic of China (Nationalist China).

[5] Counselor of the Department of State.

[6] Kennan's article, entitled "Is War with Russia Inevitable?", appeared in the March issue of the *Reader's Digest*. It was also published in Department of State *Bulletin*, February 20, 1950, pp. 267–271.

[7] The Wireless (Radio) Bulletin was the official news service of the Department of State. It was prepared by the Division of International Press and Publications and transmitted daily by radio (wireless) to foreign service posts around the world. Issue No. 45 was dated February 23, 1950.

every confidence that if the Soviet Union ceased its efforts to dominate other countries, our two nations would never come to blows, no matter what economic and political system the USSR might apply within its own borders.

We terminated amicably a conversation which proved nothing and which, chances are, will be the last Mr. Snjukov and I will ever have occasion to engage in, since he is never seen outside his Embassy.

[George V. Allen]

868.10/3-150 : Telegram

The Secretary of State to the Embassy in Yugoslavia

RESTRICTED PRIORITY Washington, March 1, 1950—4 p. m.

142. Eximbank informed Yugoslav Amb noon today re credit. It was agreed provide press 4 p. m. today with release which fols for Thursday morning papers:

"Eximbank today authorized an additional credit of $20 mil to Yugo.

Early Sept 1949 Bank approved credits of $20 mil. Of these, $15 mil were to enable Yugo purchase capital equipment and materials rehabilitate non-ferrous mines and related industries so as permit country, one of leading producers of bauxite, mercury, copper, lead, zinc other non-ferrous materials, to increase its exports to US and other hard currency markets. Remaining $5 mil was to acquire Amer industrial materials needed by other Yugo export industries and enterprises.

Last Dec and Jan Yugo Govt applied for further assistance from Eximbank. Present credit of $20 mil is result of Bank's consideration and approval of Yugo applications. Purpose of credit is to enable Yugo to purchase large variety Amer goods, including capital equipment, spare parts, machinery and materials needed to maintain present level of Yugo economy.

The credit, which will be available until March 30, 1951, bears interest at 3½% per annum and will be amortized in 14 equal semi-annual installments beginning Jan 1, 1954. A relatively extensive period of grace for repayment of principal has been provided to enable Yugo to meet heavy payments falling due in next three years."[1]

Rptd Paris for OSR as 860.

Acheson

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[1] In his telegram 269, March 2, from Belgrade, not printed, Ambassador Allen reported that he had informed Yugoslav Foreign Minister Kardelj of the credit. Kardelj reacted with undisguised pleasure, relief, and appreciation. Allen, who felt that the genuineness of Kardelj's reaction was beyond question, took the occasion to point out that no political conditions were attached to the credit.

The purposes of the credit and the manner of its administration were set forth in some detail in a letter of April 20 from Export-Import Bank Chairman Gaston to Yugoslav Ambassador Kosanović (p. 1407), handed to the Ambassador on the occasion of the formal signing of a credit agreement with Yugoslavia. By August 1950, the Bank had approved a series of prospective purchases providing for full usage of the credit. By the end of 1950, however, just over $7 million of the credit had not yet been disbursed.

611.68/3-250 : Telegram

The Ambassador in Yugoslavia (Allen) to the Secretary of State

SECRET BELGRADE, March 2, 1950—6 p. m.

270. During conversation with Kardelj today,[1] he showed anxiety to explain certain statements in Tito's recent speech [2] which he was afraid US Government might not have understood. He said Tito's references to refusal of Yugoslavia to permit interference from West had not been due to his belief that US Government desired to interfere but to his conviction that certain publishers and groups in US were exerting pressure on administration to attach political conditions to our economic aid. Speech had therefore been timely warning to such groups that their efforts could not succeed. Kardelj said he hoped speech might have aided US administration in resisting pressure and that at least it had been intended as such.

I said that it had naturally not been pleasant for me as US representative to read Tito's angry references to my country but that I accepted his explanation as evidence of his desire to establish solid basis for relations between our two peoples.

In friendly subsequent conversation I expressed opinion that greatest detriment to genuinely close relations between US and Yugoslavia was residual conviction in minds of most Yugoslav officials that US would support Yugoslavia only so long as useful to US in quarrel with USSR but that in end US would turn against Yugoslavia to defeat Marxism here. Kardelj agreed that many Yugoslav officials held this view and that much patience was required to overcome it. He added that Yugoslav Government was similarly anxious to dispel conviction in minds of many Americans that socialist state would always act subversively against bourgeois governments whenever occasion offered. He believed Yugoslavs' primary mission was to prove that socialist state could do business with anyone willing to respect its independence. He said that if Soviet Union could force Yugoslavia, by pressure, blockade or otherwise, to succumb to Western domination, Soviets would win even greater victory than by bringing Yugoslavia back under Soviet control, since our domination of Yugoslavia would demonstrate to world that any nation which wished to be friendly with US must submit to dictation from Washington.

I referred to evident Yugoslav sensitiveness to US control and said experience alone would convince Yugoslavs we had no desire to dominate. I expressed view that Yugoslavs would return to Soviet orbit at such time as they felt USSR would respect their independence more

[1] Ambassador Allen had called upon Foreign Minister Kardelj to inform him of the approval of the Export-Import Bank credit to Yugoslavia; see footnote 1, *supra*.

[2] Presumably the reference here is to Marshal Tito's preelection speech at Užice; see telegram 215, February 19, from Belgrade, p. 1370.

than US would. Kardelj agreed but expressed confidence USSR could never respect independence another country until there was complete overthrow of "Soviet bureaucracy from top to bottom".

Sent Department 270, repeated Paris 44, London 35, Moscow 31, Department pass Moscow.

ALLEN

768.00/3-350 : Telegram

The Ambassador in Yugoslavia (Allen) to the Secretary of State

SECRET BELGRADE, March 3, 1950—3 p. m.

280. Embtel 258, February 27, 6 p. m.[1] For Perkins. Several days ago I told Deputy Foreign Minister Prica I had been thinking over pros and cons of asking see Tito from time to time and would appreciate his discussing matter frankly with Marshal and letting me know his views. I referred to Tito's statement to White that best assurance against Soviet invasion Yugoslavia would be indication by US that invasion would not be regarded by US with indifference. I believed my visiting Tito occasionally would show we were in close touch and would give impression Tito desired. I added some of Marshal's statements to White had shown his inadequate understanding of American attitude specially that of US businessmen and if US-Yugoslav relations were to be put on sound basis we would have understand each other better.

Moreover if I made occasional visits when situation was calm we might avoid rumors that something extremely important had happened whenever I saw him.

I said I recognized valid arguments against my seeing Tito and I myself would not like see him too often. Frequent visits would add to Soviet propaganda Yugoslavia had become American puppet. Moreover it would be awkward for Tito see me without seeing other chiefs mission and his time might be taken up with visits. (I did not mention to Prica principal reason I should see Tito occasionally. If we are to have any influence on Yugoslavia it must be through Tito. Nor did I mention the principal reason for my hesitation see him. I would not wish imply to Foreign Office and Democratic elements of population

[1] Not printed. It reported that Marshal Tito gave an hour interview to Frederick C. White, representative of the Joint Distribution Committee, upon his departure from Yugoslavia. Tito, who asked White to report his views to Ambassador Allen, expressed serious concern over the possibility of a Cominform attack upon Yugoslavia during the spring. Tito stated that the greatest safeguard against such an attack would be for the United States to inform the Soviet Union that such an attack would start World War III. Tito showed much concern that Yugoslavia might fail to obtain credits from the West. He expressed the opinion that the United States Government favored such credits but American businessmen and financiers were opposed (768.00/2-2750).

US condones Tito's police methods or that Tito and I have become buddies.)

Yesterday Prica told me he had discussed pros and cons with Tito who had decided on balance to see me if he could whenever I wished even though he regretted such visits would be contrary to his practice of not seeing foreign diplomats after their first interview. Prica asked how soon I wanted to go. I said I would let him know when I had something discuss.

Prica and other Foreign Office officials seem hopeful I will see Tito from time to time. Presumably they find some difficulty either in discussing foreign affairs with him frankly or in keeping him abreast on international developments and believe my conversations might be helpful.

If Department has views on subject I would welcome them. Otherwise I plan ask for interview perhaps once month or so.

ALLEN

868.10/3-450 : Telegram

The Secretary of State to the Embassy in the United Kingdom [1]

SECRET WASHINGTON, March 4, 1950—2 p. m.

996. (1) IBRD actively considering $25 million loan to Yugo of which $12 million wld be in dols for purchases in US and remainder in local currencies of UK, Neth, Belg, France, and Italy for purchases in those countries. These currencies wld come from the 18% of total contributions of member govts to IBRD paid in local currencies but which cannot be used for loans without consent of particular nation whose currency is to be used. IBRD has requested such consent from 5 govts concerned in connection above loan to Yugo. We have asked IBRD and have been informed that the British share wld be the sterling equivalent of 2.7 million dols.

(2) You are requested informally approach appropriate top officials British Govt with respect this loan and express hope that favorable reply will be given Bank's request for use local currency.

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[1] This telegram was repeated, *mutatis mutandis*, as 944 to Paris, 292 to Brussels, 206 to The Hague, and 774 to Rome (868.10/3-450 and 398.14/3-450). Special supplementary instructions were added to the telegrams to The Hague and Rome. Telegram 167, March 8, to Belgrade, not printed, informed the Embassy of the substance of these instructions and explained that the action to speed the proposed multicurrency loan to Yugoslavia was taken in pursuance of a suggestion by Eugene Black, President of the International Bank for Reconstruction and Development, during a recent call on Secretary of State Acheson (868.00/3-850). Telegram 1569, April 7, to London, repeated as 279 to Belgrade, not printed, informed that the Belgian, Italian, and Netherlands Governments appeared willing to participate in the loan. However, in view of recent developments, including the failure of negotiations with the Yugoslav Government regarding claims settlement for prewar Yugoslav dollar bonds, the Department wished that no further action be taken on the matter for the time being (868.10/4-350).

You shld indicate that Dept strongly supports loan and feels five countries whose local currencies are desired shld give necessary consent. If necessary you may express Dept's concern that problem of maintaining and exploiting rift between Yugo and USSR be considered as common concern of western nations and shld be supported economically as well as politically by them. You shld point out US has recently extended assistance to Yugo through Eximbank loans of $20 million in Aug/Sept 1949 plus further $20 million earlier this week, and indicate possibility undesirable political repercusions here if it appears other western countries unwilling undertake appropriate responsibility in situation involving their own interests fully as much as US interests. Substantial portion latest Eximbank loan designed meet emergency balance of payments situation Yugo which can only be solved in long run by additional production resulting from further capital goods acquired through such assistance as that under consideration byIBRD.

(3) Similar instructions being sent Rome, Paris, The Hague, Brussels and early replies requested. There is some indication that the UK is reluctant give necessary consent use sterling involved proposed loan and that other countries may be holding back until British act. Hence prompt approach Brit may be particularly important although other 4 countries shld be urged act independently of British if point arises.

ACHESON

868.10/3–650 : Telegram

The Ambassador in Belgium (Murphy) to the Secretary of State

SECRET BRUSSELS, March 6, 1950—4 p. m.

332. I discussed substance Deptel 292, March 4 [1] with Van Zeeland [2] this morning mentioning at same time in that connection Department's desire to see deferred for one year Yugoslav existing credits arising under Yugoslav-Belgian trade agreement, Van Zeeland having previously told me that he would go to outermost limit in supporting our wishes.

First of all Van Zeeland said he had had greatest difficulty with Minister of Finance [3] on account Yugoslav item. The Finance Minister had said that Belgium is asked to extend credits and make concessions although in contrast with other European countries it is neglected and even its reasonable request for the $50,000,000 World Bank–Eximbank loan, is rejected. Its European neighbors all seem

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[1] Same as telegram 996, March 4, to London, *supra*.
[2] Paul van Zeeland, Belgian Minister of Foreign Affairs.
[3] Henri Libaert.

to fare better and enjoy American generosity such as Holland which is receiving ECA direct aid at the rate of $200,000,000 annually whereas Belgium receives nothing. I suggested to Van Zeeland that it might be well for Belgian Government to consider US position, as the latter is always expected to give and does give generously and in the mutual interest of West Europe; that in our policy of extending aid to Yugoslavia, which Van Zeeland says he supports and understands, there is an overshadowing political consideration which should not be lost sight of by overemphasis of strictly financial features.

Van Zeeland said he agreed heartily and that he approves our Yugoslav policy fully; that he personally will support the IBRD $25,000,000 loan to Yugoslavia of which it is understood that Belgian's share would be the Belgian franc equivalent of 1.8 million dollars and also that he will push again for favorable decision on deferment of the existing credits under the Belgian-Yugoslav trade agreement. But he added he would have to ask me to make an end run and tackle the Finance Minister on both points.

I am seeing Libaert shortly and while he is now in the midst of a tax reform debate, I will ask him to support both items relating to Yugoslavia.[4]

MURPHY

[4] In his telegram 404, March 15, from Brussels, not printed, Ambassador Robert D. Murphy reported that he discussed the proposed IBRD credit to Yugoslavia with Belgian Finance Minister Libaert. Libaert stated that he concurred in the proposed loan. Murphy observed, however, that it was obvious from Libaert's remarks and the comments of other Belgian officials that current American policy toward Yugoslavia was viewed with considerable skepticism in Belgium (868.10/3–1550).

868.10/3–750 : Telegram

The Chargé in France (Bohlen[1]) to the Secretary of State

SECRET PARIS, March 7, 1950—7 p. m.

1068. The question of French consent to proposed IBRD loan to Yugoslavia was taken up with Parodi[2] this afternoon. All the considerations set forth in Department's 944 of March 4[3] were brought to his attention and emphasized.

Parodi stated that French Government was in sympathy with political importance and desirability of this loan but that he was not familiar with it and wished the views of Felix,[4] the Foreign Office financial expert, who had been dealing with it. Felix stated that the

[1] Charles E. Bohlen, Minister of the Embassy in France.
[2] Alexandre Parodi, Secretary General of the French Foreign Ministry.
[3] Same as telegram 996, March 4, to London, p. 1381.
[4] Lucien Felix, of the Division of Economic and Financial Affairs of the French Foreign Ministry.

Ministry of Finance had taken the position, and had so requested Hoppenot in the IBRD, to inform the bank that the French Government could not consent to use of francs contributed to the bank for a loan to Yugoslavia as long as the negotiations for the settlement of French financial claims with Yugoslavs remained unsettled. He mentioned in this connection that Yugoslavia had shown no interest whatsoever, in attempting to reach settlement of these claims, although they expect this week some new proposals from them following return to Paris of Yugoslav official who had been conducting these negotiations. (In this connection Department should see Embassy's despatch No. 384 of March 1, 1950 [5] transmitted via air pouch concerning status of these negotiations.)

Parodi appeared to be fully in sympathy with political importance of this loan to Yugoslavia for reasons indicated in Department's telegram which I repeated but said that in circumstances, felt that position of French Government was that until these negotiations had been satisfactorily settled it would not be possible to give consent of French Government for use of funds by the bank for this purpose. Neither Parodi nor Felix knew whether or not French consent was required before the bank could extend any loan or whether it applied merely to franc contribution thereto. Felix pointed out that French impression had been that the Yugoslavs were uninterested in reaching any settlement in negotiations with French Government concerning these claims, because they confidently expected to obtain an international loan irrespective of their outcome. He mentioned in this connection possibly settlement might be reached fairly quickly with Yugoslavs if they felt that IBRD loan was dependent thereon.

Felix was quite definite in stating the firm position of Ministry of Finance not to give its consent until these claims were settled on a reasonable basis, mentioning in this connection that US and British had obtained a relatively reasonable settlement whereas, Yugoslavia's best offer to date is 6.6 percent of French claim.

BOHLEN

[5] Not printed.

768.00/3–1150 : Telegram

The Secretary of State to the Embassy in Yugoslavia

TOP SECRET WASHINGTON, March 11, 1950—2 p. m.

184. Reurtel 280 Mar 3.[1] Dept appreciates value of direct personal talks between you and Tito when considerations of highest importance in US-Yugo relations require. You are authorized to seek interview

[1] *Ante*, p. 1380.

with him when you consider desirable from this point of view. However, Dept believes ur normal contact with Yugo Govt shld be through FonOff and doubts desirability, for reasons cited urtel, establishing practice of regular periodic talks with Tito.

At present stage, Dept considers it preferable avoid in conversations with Yugos any statement concerning US attitude in event of Sov attack on Yugo more precise than those made to press after ur interview with President. We are not yet prepared give Tito assurance he can count on mil supplies in such event. If direct question is put to you, you shld say you must refer it to ur Govt. For your info, study now being made of possibility having available such supplies for diversion to Yugo, in case of emergency, from those assigned to MAP countries.

In conversations with Tito and other leading Yugo officials you may bring out such of fol points as you consider appropriate and timely in order to clear away misunderstandings which may have arisen in recent weeks:

1. Reemphasize two major purposes of US financial aid being granted Yugo: (*a*) to support Yugo's effort to maintain independence in the face of political pressures and economic blockade from East, and (*b*) to promote mutually beneficial trade between two countries. Similarly, US support of Yugo at last UNGA for seat on SC was based on view that Yugo wld act on SC as independent state rather than as satellite of a great power and that existing threat to Yugo security might to some degree be lessened by its holding seat on SC.

2. As Yugo Govt know, US has not sought either favors or polit concessions as price of loans. Differences in economic and political philosophy need not and shld not prevent fruitful relations between two countries and mutual respect for each other's rights within framework of principles and purposes of UN.

3. US considers it desirable that Yugo's relations with nations with which it now has expanding trade, especially neighboring states, shld be as normal and friendly as possible, and that irritating problems which are obstacles to such relations shld be cleared up wherever possible. While these problems may not be directly connected with credits and trade, it must be obvious to Yugos that commercial and other relations with other nations cld be further developed to benefit of all concerned if such problems were settled by mutual agreement of parties directly involved, and that they can be settled without sacrifice of sovereignty or independence on part of any nation.

4. US has given no consideration to proposing Yugo participation in ERP. If Yugo Govt has recd impression US has had such proposal in mind, this must have been due to misunderstanding. US aware of obvious polit objections, from Yugo as from US point of view. However, Yugos shld not overlook possible help in solving own dollar problem which purchase of Yugo products by ERP countries for dollars wld represent. Dept and ECA prepared to discuss with Yugo reps in Wash means of increasing such purchases.

5. Yugos shld realize Congress and public opinion play essential role in US foreign policy. It is in Yugo Govt's own interest to know,

and to take into account in making its decisions, that Amer people are vitally concerned about such matters as human rights, religious liberty, freedom of information, as well as efforts of the free peoples of Western Europe to achieve recovery with US assistance. We may therefore have occasion from time to time, in the interest of improving understanding and cooperation between our two countries, to bring up questions relating to the abovementioned matters on which we believe action by the Yugo Govt wld be helpful. Such suggestions, however, will be unaccompanied by any form of pressure whatsoever and will be unrelated to US aid to Yugo, except insofar as cooperative action by Yugo Govt on these matters, when possible, will make it easier to obtain necessary public support in US for aid to Yugo. In this connection, although ExIm loan granted shortly after strong Tito speeches alleging Western pressures and failure to fulfill promises, Yugos shld not have illusion such tactics speeded up decision to grant loan; on contrary, they only made it more difficult. US rejects pressure just as Yugo does.

6. There is every reason to believe US and Yugo can arrive at workable arrangements in their varied relations on basis mutual respect and understanding. For example, we hope for full Yugo cooperation in working out most efficient use of US credits already granted. Both countries have interest in having dollars put to maximum use in Yugo economy.

For your info, Dept wld prefer discussions with Yugos not extend at this time to Trieste [2] or question of possible mil aid to Yugo unless raised by Tito or other Yugo leaders. On former, Dept is consulting with Brit with view to agreement on next step (see Deptel 173 Mar 8). On question of mil aid as indicated above Dept awaiting completion joint State–Defense study probable Yugo requirements and means of meeting them, to be followed by consultation with Brit and Fr in order be in position to evaluate any Yugo request if and when made. On both these questions Dept believes official public comment shld be avoided for the present.

ACHESON

[2] For documentation regarding Trieste, see vol. III, pp. 1302 ff.

868.00 TA/3–1350

The Secretary of State to the Secretary of Agriculture (Brannan)[1]

SECRET

WASHINGTON, March 13, 1950.

MY DEAR MR. SECRETARY: I am writing in the hope of enlisting the cooperation of the Commodity Credit Corporation on the problem of providing economic assistance to Yugoslavia.

[1] At the meeting of the Export-Import Bank on March 1 at which approval was given for a $20 million credit to Yugoslavia (see telegram 142, March 1, to Belgrade, p. 1378), Bank Chairman Gaston asked the Department of State to press for action by the Commodity Credit Corporation to make some of its cotton

As you are aware, during the last two months the National Advisory Council endeavored to solve the extremely difficult problem of financing the estimated dollar shortage of the Yugoslav Government during calendar year 1950. This endeavor was undertaken pursuant to the conclusions of the National Security Council, as approved by the President, that it is in the national interest of the U.S. that economic aid essential to the maintenance of its internal stability and its independence in the face of Soviet pressure be accorded Yugoslavia. The National Advisory Council's effort throughout was to obtain the assistance of the various Agencies able to contribute to the problem.

Following consultations by me with the President, Secretary Snyder, and Mr. Gaston, the Export-Import Bank has just authorized a credit of $20 million which it is hoped will go a long way toward enabling Yugoslavia to maintain for the immediate future the necessary inflow of dollar imports. The Economic Cooperation Administration, as its contribution, has undertaken to do all that it possibly can to increase Yugoslavia's dollar earnings during 1950 under its offshore procurement policy. In order to be most effective in this, the ECA has agreed to make and proceed upon a major change in its present offshore procurement policy.

American middling cotton is by far the chief raw material import which Yugoslavia finds it necessary to purchase with dollars. Of its total dollar raw material imports of roughly $50 million required during 1950, some $13 million represent the need for approximately 17,000 tons of middling cotton. It is believed that, were it possible for Yugoslavia to obtain less desirable grades of cotton totalling this tonnage at favorable prices, it would willingly forego the better grades. In this connection, it is understood that the CCC may hold among its stocks quantities of cotton of relatively low grades.

In view of the prospective size of the Yugoslav dollar obligations which will have to be met during the next few years to service credits already extended, it will be extremely difficult for the Eximbank to extend Yugoslavia additional financing should this prove necessary. In this connection, it is the view of the NAC that Yugoslavia will

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stocks available to Yugoslavia at significantly reduced prices under the new credit (memorandum by Stinebower, March 1: 868.10/3-150). The Secretary of State and Gaston had apparently discussed such Departmental action earlier. The letter printed here was prepared when it was determined that the Secretary of State would not be able to make the necessary urgent representations on the matter orally. Documentation on Department of State proposals culminating in this letter are included in file 868.00 TA for February and March 1950. Copies of this letter were also sent to President Truman and Secretary of the Treasury Snyder. In a reply of March 23, not printed, Secretary of Agriculture Brannan expressed a desire to cooperate but urged that high-level Department of State officials be designated to consider the matter with Commodity Credit Corporation President Ralph S. Trigg (868.00 TA/3-2350). Secretary of the Treasury Snyder's letter of March 29 to the Secretary of State, not printed, suggested an early meeting among State, Treasury, and CCC representatives (868.00 TA/3-2950).

possibly require additional raw material financing during 1950 amounting to some $15 million. It is highly essential therefore that the $20 million credit recently authorized be effective just as long as possible in meeting Yugoslavia's requirements.

In order, therefore, that every effort be made to postpone Yugoslavia's need for additional funds, I wonder if it would not be possible for the CCC to see its way clear to selling Yugoslavia during 1950 up to 17,000 tons of cotton of less desirable grades on favorable terms. Depending upon the terms which the CCC might be able to offer, in view of the importance of cotton in its import program the resulting savings to Yugoslavia would constitute a major contribution toward reducing the need for further Yugoslav raw material financing during 1950. This has been estimated, as already noted, at possibly $15 million.

I can assure you that I would appreciate your cooperation and that of the CCC in giving urgent consideration to this problem which I consider of such concern to the national interest.

Sincerely yours, DEAN ACHESON

611.68/3–1650 : Telegram

The Ambassador in Yugoslavia (Allen) to the Secretary of State

SECRET BELGRADE, March 16, 1950—9 p. m.

349. During hour-and-half conversation with Tito at his private villa this morning, we discussed variety of topics which I shall report in individual telegrams.[1]

I began by saying that if our relations were to be on sound basis, we would have to discuss frankly and forcefully many questions of mutual interest. I referred to extreme Yugoslav sensitiveness to anything which smacked of pressure and said that if I should become reluctant to refer to certain subjects for fear Yugoslavs would construe my remarks as pressure or internal interference, our relations would never be more than formal.

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[1] Other portions of this conversation were reported upon in telegrams 350, 351, and 352, *infra*, pp. 1391 and 1393, respectively. In addition, Ambassador Allen reported in his telegram 353, March 16, not printed, that during their conversation Marshal Tito referred to German Federal Chancellor Konrad Adenauer's refusal to approve a Yugoslav-Federal trade agreement because of Yugoslav treatment of German prisoners of war. Tito warned that if Adenauer persisted, the Yugoslav Government would be obliged to issue a White Paper detailing the crimes of those prisoners of war in Yugoslavia. Ambassador Allen expressed the hope that the difficulties would be overcome and that Yugoslavia would take no action for the moment (662.6824/3–1650). Telegram 354, March 16, from Belgrade, not printed, reported that Tito could see no reason for keeping his meeting with Allen secret. Allen suggested that publicity might create difficulties for Tito, but Tito shrugged the matter off: "Why should I not receive you, as representative of [a] great world power, any time I wish? It is no one else's business and they can say what they like." (611.68/3–1650)

Tito invited me to speak fully and in complete frankness on any subject and added, smiling, that he was experienced in detecting what was pressure and what was not.

As regards general political relations, I said purpose my request for interview had been mutual exchange of views in light his recent public speeches, which I believed indicated some misunderstanding American policy on his part. I expressed equal desire to understand Yugoslav policy more clearly.

In order to place conversation on realistic basis immediately, I referred to his speech at Uzice February 17, in which he advised his Yugoslav listeners not to be fooled by present attitude of west towards Yugoslavia. I mentioned specifically his flat statement "They do not love us. They hate us." [2]

Tito hastened to interpose that he had not referred to western governments but merely to certain elements in west.

I continued that while I welcomed his directness, I wished to say with equal candor that certain parts of very speech under reference gave cause for American reserve toward existing Yugoslav system. I gave as example his statement that no opposition would be tolerated in forthcoming Yugoslav elections, and pointed out that this policy in itself was sufficient to cause great majority of Americans to regard his system not only with dislike but with loathing.

On other hand, I recognized certain aspects of American system which I realized he found difficulty in understanding. I referred to recent article by Drew Pearson [3] alleging Tito was massing troops for attack on Albania. I was aware that Tito thought no country should permit this type of irresponsible journalism, which might result in creating misunderstanding and hatred with tragic results for millions of human beings. Moreover, I was aware that he attributed existence this type of journalism, at least in part, to what he regarded as sordid motive—that of private profit. While recognizing difficulties created by unbridled freedom of expression, I said masses of America, including myself, were irrevocably attached to Voltairian principle of freedom for Pearson.

I said these two illustrations merely emphasized basic and perhaps unbridgeable barriers to genuine friendly relations between our two countries. Furthermore, I thought we must look fact squarely in face that many Yugoslav officials felt present American policy towards Yugoslavia was temporary, based merely on our desire to use Yugoslavia for our own purposes in present world situation, and that we would turn against Yugoslavia or any other Marxist state as soon as convenient. I expressed confidence that despite great difficulties, basis

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[2] Regarding the speech under reference here, see telegram 215, February 19, from Belgrade, p. 1370.

[3] A syndicated American news columnist.

did in fact exist at least for good if not warm relations. As regards his statement that many Americans hated Yugoslavia, I said I thought he overlooked fact that Americans in general were overwhelmingly sympathetic to any nation's striving to maintain its independence against big aggressor and ventured guess that if poll of American public were taken on question of who is leading patriot defending his country's sovereignty against overwhelming odds today. Marshal Tito would top list. (Tito was visibly pleased at idea of topping popularity poll.)

I expressed personal view that American policy towards Yugoslavia today offered primary test of genuineness of our statement that we are peace-loving and not aggressive. I said Soviet propaganda depicts us as predatory imperialists determined to dominate world and cram our system down throats of everyone else. I said if we could demonstrate our willingness to support Yugoslav independence despite Yugoslav government's Marxist character, we would give the lie to these false Soviet accusations in most dramatic and effective manner possible.

Tito expressed appreciation for my views and said he had every confidence of my sincerity. He himself was also confident that a basis existed for friendly relations between Marxist and non-Marxist states and said he welcomed opportunity to prove his contention through friendly relations between Yugoslavia and US.

He said he would like tell me why Yugoslavia had recognized Ho Chi Minh. (Since I had made no reference to this subject, it was evident Tito felt we had misunderstood his actions and believed he should explain.) He said he would not discuss question why Ho had requested recognition, but that since Ho had done so, Yugoslav Government had had no alternative but accept if it hoped to maintain its position with the "progressive forces of world". He expressed pleasure that there appeared to have been considerable understanding in west for his position.

Tito said the ExIm Bank loan [4] was to him realistic proof that our policy towards Yugoslavia was basic and not merely words. He agreed that any opinions which he and I might express were merely words until implemented by acts and said he realized that Yugoslavia had to back up its own protestation with deeds as well.

Referring again to misunderstandings which had arisen during past few weeks as result of such matters as Uzice speech and recognition of Ho, Tito said he though dispute had cleared atmosphere and he was happy we had safely navigated this temporary storm.

I said I would not pretend that we might not face additional rough weather in future, but expressed confidence that with steady nerves

[4] See telegram 142, March 1, to Belgrade, p. 1378.

and clear eye on long-range horizon, we would navigate them as successfully.

Tito made no reference during conversation either directly or indirectly to military or economic assistance. He clearly considered discussion exploration and welcomed opportunity to talk over questions mutual interest.

Sent Department 349; repeated London 47, Paris 59; Department pass Moscow 37.

ALLEN

711.55368/3-1650 : Telegram

The Ambassador in Yugoslavia (Allen) to the Secretary of State

SECRET BELGRADE, March 16, 1950—9 p. m.

350. During conversation with Tito today,[1] I said I was particularly glad Yugoslav military attaché in Washington and his assistants were being invited visit US armed services schools and expressed hope this would lead a steadily increased understanding between our respective military officials. I agreed much patience was required achieve this end and recalled it was only short time ago when Yugoslavs shot down our planes that relations between US and Yugoslav military were as bad as imaginable.

Tito said as a military man he particularly understood necessity for close cooperation on military matters and commented that present Yugoslav bitterness against USSR should be sufficient to overcome any residual animosity toward Yugoslavia on part US military.

My purpose was pave way for subsequent request for better liaison between our service attachés here and Yugoslav military. However, it seemed preferable not request specific facilities here on this occasion. I plan follow up on earliest suitable opportunity.

ALLEN

[1] Regarding other portions of the conversation under reference here, see telegrams 349, 351, and 352, *supra*, *infra*, and p. 1393, respectively.

611.68/3-1650 : Telegram

The Ambassador in Yugoslavia (Allen) to the Secretary of State

SECRET BELGRADE, March 16, 1950—9 p. m.

351. During conversation today,[1] Tito referred to various rumors of forthcoming deal between US and USSR dividing world into spheres of influence, and requested my comment.

[1] Regarding other portions of the conversation under reference, see telegrams 349, 350, and 352, p. 1388, *supra*, and *infra*, respectively.

I said I hoped Marshal would believe me when I declared, in most emphatic terms, that US was incapable of making secret deal with one power at expense of people of third country without any opportunity for such people or their representatives to be heard. I said spheres of influence was policy of imperialism and that whenever US became imperialistic he could begin to look for deals between the US and other countries of kind to which he referred. I referred to certain personal experiences I had had in this matter, particularly in Iran,[2] where US had thrown every ounce of its influence and energy into preserving integrity of Iran and in opposition to any possible spheres of influence deals. I reminded him that history of our policy in the Balkans had been equally opposed to spheres of influence and I saw no reasons for apprehension on his part that we might enter into arrangement with Soviet Union or anyone else behind his back.

I said rumors of kind to which he referred frequently arose and that they did not always concern US. (I had in mind rumors of possible *rapprochement* between Tito and USSR but am not certain he got my implication. He may have thought I referred to possible deal between UK and USSR.)

I said I thought rumors might have resulted from Churchill's call for meeting with Stalin [3] and from recent proposals by Senators McMahon and Tydings.[4] I expressed confidence nothing would come of these proposals and repeated assurance we would not make secret deal at Yugoslavia's expense no matter what meeting might take place.

Tito did not give me the impression of being unduly alarmed at rumors but Embassy is aware from other Yugoslav officials that subject is in their minds at present.

Sent Department 351, repeated London 48, Paris 60, Moscow 38; Department pass Moscow.

ALLEN

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[2] Allen served as Ambassador in Iran from April 1946 to February 1948.

[3] Former British Prime Minister Winston Churchill's proposal was made in a speech at Edinburgh, February 14, 1950.

[4] Proposals regarding world disarmament and international control of atomic energy were made by Senator Brien McMahon of Connecticut in Senate speeches of February 2 and March 1, 1950, and by Senator Millard Tydings of Maryland in a proposed Senate resolution of March 6, 1950.

440.6831/3–1650 : Telegram

The Ambassador in Yugoslavia (Allen) to the Secretary of State

SECRET BELGRADE, March 16, 1950—9 p. m.

352. During conversation with Tito today[1] question of trade relations between Yugoslavia and Western Europe arose. I said I would like clarify possible misunderstanding between our two countries in this connection. I wished make it clear if Yugoslavs had gained impression US desired Yugoslav participation in Marshall Plan, Yugoslavs were mistaken. I said we not only had no desire for Yugoslav participation but we appreciated Yugoslav government's position in matter. I said any misunderstanding had resulted from inadvertence. I added US was nevertheless anxious assist Yugoslavia in reorienting its trade with West which had been disrupted by Cominform blockade. As example, I said we would be glad for Greece obtain lumber in Yugoslavia and might supply Greece with dollars on understanding Greeks would pay dollars to Yugoslavia for lumber.

Tito said he would welcome such arrangement with ERP countries and it was in fact only means by which Yugoslavia could participate in ERP.

Sent Department 352, repeated London 49, Paris 61, Rome 33, Vienna 37, Athens 21, Frankfurt 44.

ALLEN

[1] Other portions of the conversation under reference are reported upon in telegrams 349, 350, and 351, pp. 1388, 1391, and *supra*, respectively.

868.10/3–2050 : Telegram

The Ambassador in the United Kingdom (Douglas) to the Secretary of State

SECRET LONDON, March 20, 1950—7 p. m.

1524. Rumbold[1] finally gave us today what he termed preliminary answer to question raised in Deptel 996, March 4, 1950.[2] As result discussion held with Treasury and within Foreign Office he said he was under instructions to report that UK had always (except in one "minor" case involving loan to Brazil) resisted any proposal to accord necessary British approval to permit International Bank make specific sterling loan. It would be difficult for British to participate in this one, he added, without upsetting this principle. He expressed belief that in relation to its resources, British had "done as well as anyone else in assisting Yugoslavia". He said that UK would, however, be willing

[1] Sir Horace Anthony Rumbold, Head of the Southern Department, British Foreign Office.

[2] *Ante*, p. 1381.

to join with US in any approach to French, Italians or Belgians "to persuade them it was time they did something". In concluding Rumbold reiterated that "this is not our final answer; however, the first obstacle we have met is a broad one". We gained impression Rumbold personally not wholly in accord with above British positions.

DOUGLAS

668.81/3-2350 : Telegram

The Ambassador in Yugoslavia (Allen) to the Secretary of State

CONFIDENTIAL BELGRADE, March 23, 1950—6 p. m.

380. Following my return from Athens yesterday,[1] Deputy Foreign Minister Prica asked my impression of likelihood improved Yugo-Greek relations under new Greek Government. I said our Embassy in Athens thought new government[2] would do whatever it could in this direction.

I asked Prica whether Yugoslavia Government would be receptive to Greek approach. He gave stock reply that Yugoslavian reaction would depend on extent new Greek Government showed "progressive tendencies". I took occasion say while I hoped new Greek Government would be progressive, I could not believe Yugoslav Government would hold club over head of another government and specify policies other government should adopt as prerequisite to friendly relations. I referred to sensitiveness of Yugoslav Government itself to anything smacking of conditions or outside pressure and reminded him of vulnerable position Yugoslav Government would be in by such tactics.

Prica said Yugoslav Government policy was necessary because of Yugoslavian public opinion. I said I thought Yugoslav Government was making common mistake of recalling only its own public opinion and for letting [*forgetting*] that of other countries, including Greece, whose government faced equal if not greater necessities in this regard.

I have very definite impression Yugoslav Government is anxious despite its cautious approach for marked improvement Greek-Yugoslavian relations and stage is set for considerable, if not dramatic progress.[3]

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[1] Ambassador Allen visited Athens from March 19 to March 22.

[2] On March 23, following the Greek general election of March 5, the head of the Greek Liberal Party, Sophocles Venizelos, formed a minority government which lasted until April 14. For documentation on the attitude of the United States toward the Venizelos government, see vol. v, pp. 335 ff.

[3] In his telegram 388, March 24, from Belgrade, not printed, Ambassador Allen reported he had repeated his views to Yugoslav Deputy Foreign Minister Vladimir Popović. Allen added that he thought that the attitude of the Yugoslav Government toward Greece should be based solely on whether the Greek Government desired friendly relations with Yugoslavia, regardless of the political persuasion of the Greek ministers. Allen pointed out to Popović that this was the basis of United States relations with Yugoslavia, and he hoped that Yugoslavia would adopt the same attitude toward Greece (668.81/3-2450).

Sent Department 380, repeated Athens 23, pouched Moscow.

ALLEN

662.6S24/3-1650 : Telegram

The Secretary of State to the Embassy in Yugoslavia

SECRET WASHINGTON, March 24, 1950—1 p. m.

234. From study of growing warmth of controversy involving Ger POWs in Yugo it appears subj on both sides is exceeding bounds which nature of difficulty wld warrant. Yugos have been unaccountably dilatory in proceeding with trials remaining accused war criminals and Gers also appear to be trying to slough responsibility for such crimes. As consequence increasingly embarrassing issue created for both govts and incidentally for Three Allied Powers. At same time it appears hardly feasible externally to prescribe type of justice Yugos shld impose upon accused war criminals since Moscow Declaration of Nov 1, 1943 by Roosevelt, Churchill and Stalin in name of all UN provided war criminals wld be returned to countries where crimes committed and "be judged and punished according to laws of these liberated countries and of free govts which will be created therein".[1]

In view growing consequences of issue, apparent on Yugo side from Amb Allen–Tito interview (Embtel 353, Mar 16 rptd Frankfort 45, London 50 and Paris 62[2]), and in view recent *Aide-Mémoire* on subj from Fr Emb, Wash, Dept is addressing *aides-mémoire* to UK and Fr Embs asking concurrence their govts to fol procedure. Three Embs Belgrade, at appropriate time near future but not simultaneously, wld raise matter orally with FonOff during gen discussion. Subj wld not be linked directly with Yugo-Ger econ matters and postal relations, nor wld Yugo type justice be questioned.[3] All three Embs wld refer to previous conversation with Yugo FonOff on Subj (re Bel-

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[1] The quotation is from the Declaration on German Atrocities, adopted by the Moscow Tripartite Conference of Foreign Ministers, October 18–November 1, 1943, and issued on November 1, 1943, in the names of President Franklin D. Roosevelt, British Prime Minister Winston Churchill, and Soviet Prime Minister Iosif Vissarionovich Stalin. For the text, see *Foreign Relations*, 1943, vol. I, p. 768.

[2] Not printed, but see footnote 1, p. 1388.

[3] Telegram 2111, March 29, to Frankfort, repeated as 248 to Belgrade, not printed, reaffirmed the Department's belief that the subject of German prisoners of war in Yugoslavia should not be linked with the Yugoslav-German Federal trade agreement and recommended that the Allied High Commission for Germany press the Federal Government to conclude the agreement (462.6831/3-2450). Telegram 136, April 6, from Bonn, not printed, reported that at the April 5 meeting between the Allied High Commission for Germany and Federal Chancellor Adenauer, the American, British, and French Representatives had promised Allied help to expedite the release of German prisoners of war from Yugoslavia and had urged Adenauer to approve conclusion of the Yugoslav-Federal trade agreement (762A.34/4-650). The trade agreement was eventually signed on April 18.

grade's 1208, Nov 19, 1949, rptd London 102 and Paris 154[4]) and inquire re status affair giving Yugos impression Western interest is entirely in speedy settlement of issue as beneficial to both parties since if unsolved it increasingly cld taint atmosphere Yugo-Ger relations to their mutual detriment.[5]

Sent Belgrade, rptd Frankfort 1969, London 1325, and Paris 1285.

ACHESON

[4] Not printed.

[5] Telegram 420, June 1, to Belgrade, not printed, reported that France had expressed full agreement with the tripartite approach to the Yugoslav Government outlined in this telegram. The Embassy in Yugoslavia was authorized to determine means suitable for proceeding with the matter (662.6824/6-150).

Editorial Note

In 1950 Yugoslav pre-World War II bonded indebtedness in dollars to American investors amounted to nearly $50 million. This included nearly $40 million principal amount of bonds together with the defaulted service on the bulk of the debt. In December 1949 Yugoslav representatives notified the Foreign Bondholders Protective Council, Inc. (a nonprofit, semipublic organization for the protection of the rights and interests of American holders of public securities of foreign states) of the Yugoslav Government's readiness to discuss a settlement of Yugoslav prewar bonded indebtedness. At the request of the Yugoslav Government, James Grafton Rogers, President of the Foreign Bondholders Protective Council, visited Belgrade from March 17 to March 31, 1950. During their discussions with Rogers, Yugoslav officials affirmed their government's desire to arrive at a satisfactory settlement, but they pressed unsuccessfully for a reduction in the principal of the indebtedness. Throughout the discussions, Rogers made clear that a satisfactory settlement would be a prerequisite for the proposed loan to Yugoslavia by the International Bank for Reconstruction and Development. The discussions were adjourned on the understanding that they would be resumed later in the year. For Ambassador Allen's description of the circumstances of the discussions, see telegram 427, April 3, from Belgrade, *infra*. Upon his return to Washington, Rogers discussed the subject with officers of the Department of State. Rogers was confident that when negotiations were resumed, the Yugoslav Government would retreat from its position of demanding a reduction of the principal of the debt. On April 12, 1950, Rogers released a statement to the press summarizing the essential facts of Yugoslavia's bonded indebtedness, reviewing the course of the recent contacts with the Yugoslav Government, and suggesting that negotiations would probably resume in the fall of the year. They were in fact not resumed. For the text of Rogers'

April 12 statement together with a summary of the facts in the matter, see *Foreign Bondholders Protective Council, Inc.: Annual Report 1950* (New York: 1951), pages 201–203. Documentation on the efforts during 1950 to achieve a settlement of Yugoslavia's prewar bonded indebtedness is included in the 868.10 segment of the Department of State's Central Files.

868.10/4–350: Telegram

The Ambassador in Yugoslavia (Allen) to the Secretary of State

CONFIDENTIAL BELGRADE, April 3, 1950—11 a. m.

427. Embtel 426, April 3.[1] Rogers, FBPC had two weeks friendly and useful negotiations re pre-war Yugoslav dollar bonds. While Milentije Popovic, Minister Foreign Trade and Acting Minister Finance, and other Yugoslav officials assured me at farewell luncheon my residence that two parties were not far apart, talks ended without Yugoslavs withdrawing insistence on reduction of principal. I took no part in negotiations but Fowler[2] attended conversations as observer.

Rogers performed in outstandingly able manner in extremely difficult situation. No Marxist state has ever made settlement with FBPC. Bonds were issued by what present Yugoslav Government considered Monarcho-Fascist regime and Cominform has alleged that negotiations are proof Yugoslavia has become capitalist tool. However, Rogers principal argument for settlement has been Yugoslav need to re-establish credit, but Yugoslavs feel they are being asked to recognize debt amounting to about $50 million including funding of portion of arrears of interest in order to obtain $25 million loan from IBRD.[3]

In addition, Rogers himself could have expected hostile reception which he might, however erroneously, be considered to represent Wall Street. Actually, he was treated with great courtesy, entertained well, and as guest of Yugoslav Government was unable even pay hotel bill. His deep knowledge of the subject and frank but friendly manner made most favorable impression on all Yugoslav officials he met.

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[1] Not printed. It reported that James Grafton Rogers, President of the Foreign Bondholders Protective Council, Inc., had departed from Belgrade following the adjournment of discussions with Yugoslav officials. Regarding the antecedents and nature of those discussions, see the editorial note, *supra*.

[2] William A. Fowler, First Secretary of Embassy in Yugoslavia.

[3] In his telegram 542, April 24, from Belgrade, not printed, Ambassador Allen reported that FBPC President Rogers had several times explained to Yugoslav officials the position of officers of the International Bank for Reconstruction and Development that a satisfactory settlement of Yugoslavia's prewar dollar bonded indebtedness was a prerequisite to a Bank loan to Yugoslavia (868.10/4–2450).

Although in a sense he left empty handed, I believe his visit was very much worthwhile and should greatly facilitate acceptable settlement.

ALLEN

868.10/4-1550 : Telegram

The Secretary of State to the Embassy in Yugoslavia

SECRET WASHINGTON, April 15, 1950—2 p. m.

300. Yugo reps finally began two weeks ago present data re 1950 econ prospects.

Four meetings reps Yugo, Eximbank, Dept confirm impression which has been growing since authorization second $20 mil XIM credit Mar 1, that Yugoslavs assume US will foot bill indefinitely somewhat regardless of amount. All available evidence strongly supports impression. No evidence at all, either in data presented, actions taken, or attitudes of reps that Yugo now seriously concerned about closing dol raw material gap soonest possible or about fact that limit to possibilities financing Yugo by credits fast being reached.

Estimated 1950 dol balance payments presented (which includes both raw materials and capital equipment) indicates deficit to be met by US of $30 mil after allowing for fol loans: (*a*) $2.7 mil IBRD timber equipment, (*b*) two already authorized $20 mil Eximbank loans, and (*c*) $12.0 mil contemplated IBRD loan. This estimated deficit $15 mil more than maximum remaining deficit estimated by NAC Staff after allowing for loans cited. Deficit due to heavy inclusion capital items from US and W. Germany. Details being pouched.

It must be emphasized that limit to Yugo ability assume additional dol debt being clearly in sight (its capacity to repay as threatening a factor as any to dol part IBRD loan allowed for above), it is impossible see how US could meet deficit cited with credit financing. It is necessary therefore (*a*) that Yugoslavs make every effort close dol raw material gap soonest possible and restrict capital imports to items which bring immed and substantial increase in exports, and (*b*) that they cooperate with US (1) by complying with actions suggested by us aimed at making ends meet and (2) by providing continuous flow sufficient info enable us fully appraise developing econ situation and make sure aim being reached. Both these requirements due us in light of responsibility US has undertaken. Furthermore, from Yugo viewpoint, meeting such requirements and closing dollar gap wld seem necessary in light their desire to prove that they can stand on own feet and are not dependent on Wall Street.

Four meetings referred to and recent Yugo action taken convince us neither these two requirements likely be met short of strong

démarche. Data presented entirely inadequate enable us evaluate relative essentiality to Yugo economy of raw material and capital import requirements causing $30 mil estimated deficit. Each meeting used by Yugs urgently press for almost immed disbursement entire remaining $11.5 mil for raw materials in second Eximbank credit. (i.e., $20 mil less sum of $3.5 mil already disbursed and maximum $5 mil considered for capital equipment.) Meanwhile have determined from our own sources that Yugs recently contracted for some $5 mil US crude oil and motor gas which they had intended getting and cld have got from UK under recent agreement, but switched in order increase capital equipment imports from UK.

Experience with Yugs in the negots over eleven months points up to the fol:

(1) Depts, Eximbanks as well as IBRDs and IMFs experience that Yugs basically unwilling disclose guts present and prospective situation at any given time. Unwillingness persistent despite repeated clearcut detailed and fully understood statements.

(2) Dept unable in past and more so now to gauge seriousness of situation, formulate assistance policy and action, and explain situation to five other agencies, members of NAC. Dept throughout has been subject to predictions of dire consequences if each Yugo request not met promptly. Impossible obtain support of other US agencies without thorough knowledge situation.

(3) Reasons heretofore given by Yugs for reluctance establish direct informational and analytical channels with Emb in Belgrade no longer valid. Dept understands and sympathizes with Embs difficulties in establishing close relations with Yugo Ministries. While US Govt has limited info with which check certain Yugo data, process of obtaining info through Yugs in Washington is basically time-consuming and unsatisfactory, and has in fact been used as delaying tactic. It is evident that full meaning and impact our suggestions to Yugos here have not been transmitted to Gov. Washington can never have feel of true situation such as can be obtained on the spot on continuing frank and friendly basis.

(4) Preceding factors necessitate new approach. Subject your concurrence, Dept and Eximbank ready to require that YuGov establish regular channels of info with Emb on whole range of econ and financial info necessary to true evaluation of Yugo external needs. (This now more technically feasible due most info and authority procure now centralized Min For Trade.) This requirement can, if necessary, be formulated as a condition of assistance being provided by Eximbank; in fact it derives from clear contractual language contained in credit agreements signed by Yugos with Eximbank. Friendly suggestions to this effect have so far been without result.

(5) Dept ready consider additional staff for Emb necessary for this purpose, and to assist Emb through periodic visits by US officials to Yugo for specific purposes which can again be undertaken on the basis of contractual obligations cited. To initiate process Dept prepared send small team US officials soon. Such team wld assist in establishing basis collaboration and bring back US first results complete study, thereby relieve Emb of catching up on backlog.

(6) Until and unless such full and frank informational and analytical possibilities are provided by YuGov to Emb, Eximbank and Dept disposed dole out funds under new credit of $20 mil in small amounts and slow stages. No other way left to US Gov to make sure it will not be faced with repeated frequent growing requests for additional dol assistance.

(7) Wld appreciate soonest constructive comments and suggestions from you on above proposals.

UK Emb here has shown us FonOff instruction (1) that US be urged exploit Yugo present need in order obtain essential info re state economy by suggesting its unwillingness finance further unless YuGov willing receive two or three econ experts, great secrecy if necessary, and answer questions which might be put, and (2) that US be informed that UK prepared approach YuGov to ask for same info as US, UK also being one of Yugo's principal creditors. Depts preliminary view is UK approach best be postponed until after satisfactory relations US established. Ur comments requested.

ACHESON

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123 Allen, George V.

The Ambassador in Yugoslavia (Allen) to the Secretary of State[1]

SECRET OFFICIAL INFORMAL PERSONAL

BELGRADE, April 17, 1950.

DEAR DEAN: We fill the pouch every week with formal despatches, in mimeograph form, institutionalized, and without flavor. It seems to me that a less formal summary of the situation, as seen after three months' residence, may be useful to you.

The challenge of the job here grows steadily, and I believe we are making progress. Certainly we could not ask for more friendly rela-

[1] On May 9, Deputy Assistant Secretary of State for European Affairs Llewelyn E. Thompson prepared a brief draft reply from the Secretary of State to Ambassador Allen, which was not sent, the major paragraph of which reads as follows:

"I was glad to have your letter of April 17 and to learn of your interest in your new job. You are, of course, aware of the great importance we attached to your mission. I am pleased to note from your letter that our thinking on this problem is in line. We were somewhat disturbed at the repercussions from your trip to Athens [March 19–22] and your conversations with Greek politicians there. I know that the violent reaction in the Italian press to your proposed holiday in Italy [in early April] will have demonstrated how delicate the situation is in your part of the world and how careful you must be. My word of caution, however, relates to the pace of the development of our policies in Yugoslavia. I think we must proceed very slowly and use care not to force the pace in our efforts to tie Tito to the West." (123 Allen, George V.)

This draft reply was sent to the Secretary of State under cover of the following memorandum from Assistant Secretary of State Perkins:

"We have felt for sometime that Ambassador Allen has been pushing matters with Tito a little too fast, and we have been particularly concerned at his activities outside his own bailiwick. His letter to you of April 17 affords an opportunity to cool him off a bit" (123 Allen, George V.)

tions with the officials, from Tito down, and the Yugoslavs who oppose the regime look on us as potential saviors. It is difficult to make intimate friends but we already have many good ones. What a contrast from the life our people in Moscow and other curtain countries lead!

The most disagreeable feature is to see people deprived of their liberties under a police state. The lack of consumer goods is no less tragic.

The question is sometimes asked whether Yugoslavia should still be regarded as behind the Iron Curtain. The answer, of course, is that while it is no longer behind the big curtain, it has one of its own, the heaviest part of which cuts it off from the East, but a good deal still blinds the Yugoslavs from the West. While the Yugoslav press has begun to carry much more straight news of events in the West than it formerly did, the news is as carefully selected by the authorities as ever. Yugoslavs now can and do associate with Westerners with relative freedom, and it is somewhat easier for them to travel in and out of the country—towards the West. Yugoslavs read our information bulletin with increasing freedom, visit our reading rooms and listen to the Voice of America without fear. But woe to the Yugoslav who is caught going to a *Cominform* legation or who listens to Radio Moscow. The trend our way is steadily growing, and we are doing our best to encourage it.

In a talk I had with the Soviet Chargé recently,[2] he accused the United States of trying to dominate Yugoslavia through our economic assistance. I said that whenever Yugoslavia felt it could enjoy more independence by being friendly with the USSR than with the United States, I thought Yugoslavia would rejoin the Cominform, but not before. (It is basically for this reason that I do not believe there is any serious danger of Yugoslavia's patching up its quarrel with Moscow. Tito has tasted independence and likes it.)

But there are other considerations we must still watch. Yugoslavia is extremely poor—fairly near the "disease and unrest" formula. Since the break with the Cominform, all trade between Yugoslavia toward the East has ceased. We *must* take up the slack. If we refuse to buy

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The Secretary of State's actual reply to Ambassador Allen, dated June 12 and apparently drafted in the Executive Secretariat, reads as follows:

"I was glad to hear from you and to know that you are enjoying the challenge of your job in Yugoslavia. I hope you will excuse the tardiness of my reply to your letter of April 17 in view of the London meetings [meetings of the Western Foreign Ministers, May 9–18] and the press of matters which met me on my return.

"From your further comments it seems that you are getting into the problems of the country with zest. There must be a marked contrast in American relationships with Yugoslav officials and the experiences of our people in the Soviet-Dominated countries." (123 Allen, George V.)

[2] Perhaps the reference here is to Ambassador Allen's conversation with Soviet Chargé Snyukov on February 25; see the Ambassador's memorandum, p. 1376.

their produce or to supply their minimum requirements, the Yugoslavs may find themselves, against their wish, forced to turn toward the East again.

None of the present leaders could possibly return to the East, but the danger is that the regime might be weakened to the point that a Cominform coup might become a possibility. An additional factor is that if Titoism is to be fully effective against the Soviet Union, the standard of living here must rise above the subsistence level.

Therefore, an essential part of our policy, as I believe Averell Harriman well realizes, must be to integrate Yugoslav economy to the West. I've been working hard to encourage American tobacco buyers, purchasing agents from Macy's, United States minerals importers, etc., and we are trying to do whatever possible to improve Yugoslav economic relations with Greece, Italy, and especially Germany.

One of the chief considerations which keeps the present Yugoslav regime from trusting us very far is its fear that we are merely using Yugoslavia temporarily, as a convenient pawn in our fight against the USSR, but that we will turn against Tito and all his works as soon as Yugoslavia is no longer of immediate use to us. This is a basic consideration which we must face frankly if we are to establish any really useful relationship here. The Yugoslavs see through any sham on this point. I've discussed the subject at length with Mose Pijade,[3] their extremely clever theoretician.

While we are worrying about whether the Yugoslavs will return or be forced back into the Soviet fold, they are worried lest *we* might make a deal with the USSR, at their expense. Our most effective answer to date has been your speech at Berkeley.[4] I have pointed out to Tito that secret deals between great powers, at the expense of small ones, are made only by imperialists, and have suggested to him quite candidly that if he really believes that the United States is imperialistic, he ought to be lying awake nights worrying about such a deal. I have argued, with all the energy I have, that the United States is not imperialistic, and have pointed out that the United States has led the world, and is leading it, in behalf of freedom for small peoples and in opposition to aggression, as we are doing in Yugoslavia today. I don't think Tito really thinks we will make a deal with Russia at his expense, but he is watchful.[5]

The Yugoslavs have great confidence in you and in President Truman, and often ask about the coming elections. They are anti-McCarthy to the hilt.

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[3] Member of the Politburo of the Yugoslav Communist Party and Vice Chairman of the Yugoslav People's Assembly.

[4] The reference here is to Secretary of State Acheson's address entitled "Tensions Between the United States and the Soviet Union," made at the University of California at Berkeley, March 16, 1950; for the text, see Department of State *Bulletin*, March 27, 1950, pp. 473–478.

[5] See telegram 351, March 16, from Belgrade, p. 1391.

Joe Alsop [6] became very impatient with me while here recently, as he may have shown in his subsequent columns, which I have not seen since our American papers are between a week and ten days late. Joe went overboard for Tito in a tremendous way, and complained that I was not sending in red-hot telegrams every day demanding that you and the President force through Congress a program immediately, calling for $150,000,000 a year for the Marshal for four years. I let him know that I considered such a policy not only unrealistic but also unwise. Aside from the fact that you and the President have your hands full already in getting Marshall Aid and MAP appropriations through this Congress, a significant point is that Tito has not asked us for additional aid. Alsop brushes this aside. I do not. Even if the United States had unlimited resources, I do not believe we should cram our assistance down anyone's throat. Tito not only *says* he does not want to become an American puppet—he believes it. He thinks that a country that becomes too dependent on American aid inevitably comes under our domination, even though there may be the best possible good will on both sides.

Furthermore, while I heartily favor strengthening Tito and we here are doing everything we possibly can to do so, the best way to do it, in my view, is not to try to buy his good will with appropriations, but to convince him that we will respect his independence. I am convinced that Yugoslavia offers the United States the best opportunity in the world today to give the lie to Soviet propaganda, which pictures the United States as a blood-thirsty, war-mongering imperialist, determined to force our domination on everybody else in the world. If we can convince the present Yugoslav authorities, through our daily relations with them in every matter which arises, that we are willing to maintain friendly relations with them as long as they show their determination to defend their independence against Soviet aggression and as long as they themselves do not menace anyone, we will do more to show our sincerity to the many doubting Thomases throughout Europe, Asia, Africa and South America, than by any other method. I pointed out to Tito at our first meeting that Americans do not concur in his police-state methods or Communist economy. (This was scarcely news to the Marshal, but it seemed to me worth saying to him, for the record.) I emphasized, however, that we were glad to do business with him and give him our support as long as he showed willingness to live and let live and to defend his independence.

I said the same thing to Alsop. He not only resented my having told Tito that we did not like police-state methods, but jumped to the ridiculous conclusion that I was trying to force Tito to become a

[6] Joseph Alsop, syndicated American news columnist. Marshal Tito granted Alsop an interview on April 7.

Jeffersonian Democrat. The exact opposite is the truth. Our job is to prove that the United States is willing to maintain normal friendly relations with any government, as long as it is not aggressive or aiding aggression, and the Embassy has pressed energetically for economic assistance for Yugoslavia, as George Perkins knows perhaps only too well. At the same time, I do not believe we should pass over the police-state methods of Tito, Franco, or anyone else as if we approved them, or go to ridiculous lengths to build up their economy. We can see now that during the last war, we tended to overlook the inherent dangers of the police state in the USSR, in the intensity of our fight against Hitler. I hope we will not make the same mistake in the next one if, God forbid, it comes. We can oppose aggression and at the same time retain our democratic principles. We are not interested in hastening World War III merely to lay the groundwork for World War IV. While battles may be won by tactics, peace will finally come through the triumph of principle, not expediency.

Spring has brought good invasion weather to the Balkans, but the tension which might have been expected has not materialized. We go about our daily lives remarkably pleasantly, with Badminton and Ping-pong in the garden, tea under the apple blossoms, and trips into the country on weekends. The picture of Nero and his fiddle is certainly not apt, but it would be equally incorrect to imagine the scene here as one of grimness and despair.

Respectfully,

GEORGE V. ALLEN

868.00/4–2050 : Telegram

The Ambassador in Yugoslavia (Allen) to the Secretary of State

SECRET

BELGRADE, April 20, 1950—5 p. m.

525. Embassy believes that such economic assistance as we have given Yugoslavia to date or contemplate giving in relatively near future in support its resistance to Soviet Union and satellite pressure is small price pay for benefits already enjoyed and expected from Yugoslav independence of Kremlin dictation which such assistance has bolstered. Relaxation of export controls has merely removed some of obstacles to Yugoslav dollar purchases; moderate credits extended will have to be repaid with interest. Increased trade made possible by these two moves benefits American manufacturers and exporters and users of Yugoslav raw materials. They have also helped improve relations generally, smoothing way for such tangible results as the civil aviation and visa agreements. Tito's regime has considerably improved its relations with west without thus far compromising its independence, concerning which it is hypersensitive, as recent events such as matter of Ho recognition have demonstrated. This independ-

ence from west as well as east is, in my opinion, essential to our immediate purpose of promoting disharmony in ranks of world Communism and thus weakening Kremlin's aggressive power. We therefore should, I believe, guard against temptation try to push regime into position which world Communists and fellow travelers could interpret as compromising [*comprising?*] dependence on west, we should not expect nor seek to establish close economic relations we have with OEEC countries for example.

It is against this background we have considered Deptel 300, April 15.[1]

We appreciate difficulty of obtaining from Yugoslavia full and detailed data customarily expected from applicants for Eximbank or IBRD loans. But Yugoslavia is police state which has (1) failed organize collection and analysis of economic data along west lines and (2) made such data as exists subject to state secrets law. Added to these limiting factors is shortage of qualified personnel. In these circumstances gaps in information and delays to be expected on grounds other than reluctance reveal data in hand. That there is also some such reluctance I have no doubt, largely because of fear revelations of weak points in economy of government organization will leak out and be used against them by west as well as east. They may also suspect requests for certain data inspired more by curiosity about Yugoslavia's strategic position than by desire obtain facts relevant to credits and their utilization.

We also suspect Yugoslavs may be counting more heavily than facts warrant on further dollar credits. Any over optimism can however be dealt with (1) in general terms as occasion requires in both Washington and Belgrade and (2) specifically in connection with requests for new credits or drawings on established ones. Patient insistence in Washington demonstrably pertinent data really needed as basis for intelligent decision may involve delays but Yugoslavs themselves will be responsible and suffer any losses entailed by such delays. When important data unreceived Washington we could take matter up here with Minister Foreign Trade or other appropriate Minister on telegraphic advice from Department.

In order be of greatest possible effectiveness here, Department might send Embassy air pouch pertinent background documents already available (e.g. copy loan agreements, Yugoslav presentations and interagency studies) and keep Embassy currently informed. Regardless size economic staff, Embassy not in position prepare Yugoslav balance payments estimate, but with present staff could use estimate prepared in Washington together with that submitted by Yugoslavs, to seek clarification of important discrepancies as suggested in my letter of March 6 to Yost. With full background material, supple-

[1] *Ante*, p. 1398.

mented by telegraphic information and instructions, we here should be able to elicit desired data, if available at all, more quickly perhaps than Yugoslav representatives Washington.

I strongly urge further effort along these lines before serious consideration given to more drastic changes in procedure. In particular doubt wisdom of sending team of US officials for purpose making "complete study" Yugoslav economic and financial prospects. Yugoslav reaction would we feel be strongly against this, not so much because of unwillingness give access to information Yugoslavia considers pertinent to credits and their use as of fear of giving credence to Cominform propaganda which would seize upon it as evidence of subservience. (Moreover, Yugoslav officials remember only too well that when Soviet Union sent teams of experts to look into all aspects Yugoslav economy espionage and domination were in fact their purpose.) Occasional visits by experts in various pertinent fields, singly rather than as team, might on other hand be willingly received and be useful. Eximbank for example might inform Yugoslav representatives Washington it would like send an expert to Yugoslavia for first hand look at current nonferrous mining needs as distinguished from longer-range aspects covered by IBRD.

As to Foreign Office instruction shown by British Embassy difficult comment without knowing what "essential information re state economy" British want us help them pry loose (commercial secretary British Embassy here unable answer this question but mentioned raw material stocks and foreign exchange reserves as possibilities); said whole idea generated in London not Belgrade. In any event we are certain Yugoslavia would balk at undertaking as price for continuing US assistance to answer any and all questions put by US or UK economic experts. An attempt use this kind pressure would certainly be resented and might backfire with result we would get less rather than more really essential information. Also as British Embassy here has already pointed out to Foreign Office this proposition involves at least moral commitment to continue giving assistance provided Yugoslavs loosen up further with economic data which UK may not be in position undertake. Suggesting this argument may not apply equally to US which may be able extend further credits, British Embassy has recommended that in any event proposition be kept on ice until about September when Yugoslavia apt to be in more urgent need of dollars than now. From earlier conversations it seems possible behind British proposal is thought that one or two well qualified economists could make suggestions (e.g. postponement or abandonment major portions of industrialization plan in favor raw materials and consumer goods) which if adopted would greatly improve Yugoslavia's current and future balance payments and general economic situation. We believe this largely wishful thinking in view political control over economic

planning and execution, apart from questions of economic competence of Yugoslav officials, we doubt economic efficiency anywhere near west standards could be quickly achieved by best advice in world even if baited with hundreds of millions in credits or grants. Yugoslavs think, however erroneously, own economic planning and management quite good, and almost certain to reject suggestion of outside economic planner or group of planners. They are however willing make changes indicated by own experience and welcome specific suggestions on technical matters. We believe many such suggestions from private and official sources, particularly in connection with credits, will gradually help to improve Yugoslav economic thinking and action; and experience gained in dealing with west will also help.

ALLEN

601.6811/4-2050

The Chairman of the Export-Import Bank of Washington (Gaston) to the Yugoslav Ambassador (Kosanović)[1]

[WASHINGTON,] April 20, 1950.

MY DEAR MR. AMBASSADOR: In signing the agreement for an additional credit of $20 million for Yugoslavia by the Export-Import Bank, I should like to review briefly, on the basis of previous discussions with you and other Yugoslav representatives, the purposes for which the credit was authorized and to outline the manner in which it is to be administered.

The Bank's first credit of $20 million to Yugoslavia[2] had been intended solely for equipment, machinery, and parts needed by Yugoslavia to increase her production for exports, especially to hard currency countries. However, on the basis of urgent presentations regarding current Yugoslav imports, the Bank modified the original purposes of this credit by agreeing to the use of $5 million of the credit to meet Yugoslavia's needs for United States industrial and other materials.

In subsequent discussions it became apparent that Yugoslavia would require further assistance during 1950 in order to counteract the effects of the economic blockade by Eastern European countries, and thereby

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[1] This letter was handed to Ambassador Kosanović on the afternoon of April 20 by Export-Import Bank Chairman Gaston at the time of the formal signing of the $20 million credit agreement with Yugoslavia previously approved by the Bank on March 1 (see telegram 142, March 1, to Belgrade, p. 1378).

Telegram 321, April 21, to Belgrade, not printed, reported that the Export-Import Bank agreed, on April 21, with Department of State concurrence, to those changes in this letter indicated in footnotes 3, 4, 5, 6, and 7, below. (868.10/4-2150).

[2] The Export-Import Bank credit under reference here was authorized on September 7, 1949.

to complete the reorientation of her economy so as to become self-sustaining with respect to essential imports.

On the basis of the information submitted, the Export-Import Bank, in consultation with other agencies of the United States Government, authorized an additional credit of $20 million in favor of Yugoslavia. The amount of the credit was established on a liberal basis.

There was mutual agreement that the purpose of the credit was to enable Yugoslavia to maintain the level of essential economic activity and to permit her to reestablish her complete independence of foreign assistance for the financing of current imports. On March 1, 1950 when I informed you of the decision of the Bank to extend an additional credit of $20 million, there was further mutual recognition of the facts just stated, and especially of the urgency of Yugoslavia's becoming independent by the end of 1950 of further assistance to finance materials imported from the United States or paid for in United States dollars.[3]

At that time I explained that it was necessary for the Bank to have a complete picture of the present and prospective economic and financial position of Yugoslavia in sufficient detail and firmness to enable the Bank to be assured that Yugoslavia would achieve balance in her current accounts by the end of 1950.

The Yugoslav submissions to date on economic and financial conditions and prospects remain inadequate, and do not afford the necessary basis on which it is possible to hope for the closing of the dollar gap in the foreseeable future. In fact, the data presented would seem to indicate that this objective is further removed than we had been given to understand. From the available information it is difficult to assess accurately the factors responsible for the apparent deterioration in current accounts. One element would seem to be particularly important. This is the high and growing investments of Yugoslavia, especially for industrialization. Such investments tend to increase unduly the demand of the Yugoslav economy for scarce foreign materials, reduce the ability of Yugoslavia to divert an appropriate part of her domestic production to exports, especially to hard currency countries, and depress the amount available for domestic consumption.[4]

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[3] In the revised version of this letter (see footnote 1, above), this paragraph was changed to read as follows:

"The purpose of the credit was to enable Yugoslavia to maintain the level of essential economic activity and to permit her to reestablish her complete independence of foreign assistance for the financing of dollar current imports. On March 1, 1950 when I informed you of the decision of the Bank to extend an additional credit of $20 million I again stressed the urgency of Yugoslavia's becoming independent by the end of 1950 of further assistance to finance raw and other materials imported from the United States or paid for in United States dollars."

[4] In the revised version of this letter (see footnote 1, above), the final three sentences of this paragraph were deleted.

In order to adhere to the original purposes of the additional credit, the Bank proposes to administer the funds in such a manner as to cover only the most pressing requirements over the remainder of 1950. Purchases of materials under the credit will therefore be approved only from time to time [5] and in a manner which assures that total Yugoslav purchases over any given time will be within the funds available both under the Bank's credits and out of Yugoslavia's current earnings from exports and other sources. The financing under the credit of equipment and spare parts will be approved for a limited amount and for projects which have immediate and substantial prospects of earning or saving hard currency.

Heretofore there have been understandable reasons for delays and inadequacies regarding the pertinent information submitted to the Bank. Until recently it has likewise been inevitable that much of the necessary information should be submitted through the Yugoslav Embassy in Washington.

However, the situation has now changed radically so as to warrant a more systematic and satisfactory basis for the collection, analysis, and transmission of information essential to a realistic and reliable appraisal of Yugoslavia's international financial position.[6]

It is the view of the Bank, therefore, that from now on the United States Embassy in Belgrade should be used by the Yugoslav Government as the focal point for all pertinent information desired by the Bank. It is requested that the United States Embassy in Belgrade be provided with every facility so as to have at all times full knowledge of the actual economic and financial position of Yugoslavia and prospective developments thereon.[7]

Yours respectfully, HERBERT E. GASTON

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[5] In the revised version of this letter (see footnote 1, above), the phrase "only from time to time" was deleted from this paragraph.

[6] In the revised version of this letter, this paragraph was changed to read as follows:

"However, the situation now warrants a more systematic and satisfactory basis for the collection, analysis, and transmission of information essential to a realistic and reliable appraisal of Yugoslavia's international financial position."

[7] In the revised version of this letter, this paragraph was changed to read as follows:

"It is the view of the Bank, therefore, that from now on the United States Embassy in Belgrade as well as the Bank should be supplied by the Yugoslav Government with all pertinent economic and financial information needed by the Bank."

700.00(S)/5-150 : Telegram

The Secretary of State to the Embassy in Yugoslavia

SECRET WASHINGTON, May 1, 1950—5 p. m.

Infotel. In preparatory discussions for FonMin's meeting [1] French indicated willingness to join in our policy of financial assistance to Yugo after French-Yugo debt problem had been solved re which they seemed reasonably hopeful. Brit stated that Yugo sterling position good and questioned urgency IBRD loan. Bohlen [2] stressed importance of this loan and great political importance we attached to seeing that Yugo situation does not deteriorate. Meanwhile re previous Brit understanding that IBRD had postponed further consideration Yugo loan until autumn IBRD states that consideration certain aspects loan (e.g. equipment to be covered and source) and discussions Yugos will continue but in view problems involved (e.g. dollar bond settlement and question participation West European countries) loan action appears unlikely "for some time". Rogers FBPC thinks dollar bond negotiations may resume July if French settlement reached and thus earliest possible IBRD loan action probably August.[3] This connection, Yugos requirements submitted Dept and Eximbank, during April, indicate we must expect during 1950-51 strong pressure for loans in addition those authorized and that contemplated by IBRD to finance chiefly capital imports much of which already contracted for.

ACHESON

[1] Regarding the Tripartite Foreign Ministers Meetings in London, in May and preceding preparatory meetings, see the editorial note, p. 1415.

[2] Charles E. Bohlen, Minister in France and United States Representative to the preparatory meetings referred to in footnote 1, above.

[3] Regarding the discussions between the Yugoslav Government and James Grafton Rogers, President of the Foreign Bondholders Protective Council, see the editorial note, p. 1396.

768.00/5-250

Memorandum of Conversation, by the Officer in Charge of Balkan Affairs (Campbell)

TOP SECRET [WASHINGTON,] May 2, 1950.

Lord Jellicoe [1] called today in order to deliver to the Department the Foreign Office's reply to the points listed in the Department's *Aide-Mémoire* which was handed to Sir Derick Hoyer Millar [2] on Decem-

[1] Earl Jellicoe, Second Secretary of the British Embassy in Washington.

[2] Sir Frederick Robert Hoyer-Millar, British Minister in the United States, March 1948–October 1950.

ber 19, 1949.[3] Attached to the British reply is a document giving the views of the British Chiefs of Staff on the subject of providing military supplies to Yugoslavia. It will be noted that the British views are in general agreement with ours but that, as regards economic aid, they feel that they have done all they can for the time being, and as regards military aid they would find it difficult to supply very much. However, their reply on military aid is not entirely negative. The British Chiefs of Staff indicate that some supplies for the Yugoslav Army, even though a very small part of what was required, might come from War Office stocks and new production. They say that "the supply of small arms would probably present no difficulties." However, they would require a detailed list of Yugoslav requirements. The Foreign Office also suggests that any decision to make available arms to Yugoslavia should be made conditional on prior acceptance by the Yugoslav Government of "an American and/or British Service Mission" to study Yugoslav requirements and plans on the spot. Lord Jellicoe stated that in the British view such a mission would be of a purely *ad hoc* character and would not be permanent.

Lord Jellicoe added that it was the view of the British Government that further discussions on this subject should be carried on through diplomatic rather than military channels, since the foreign policy aspects were paramount. However, the British Chiefs of Staff would be kept fully informed and would study the military aspects on a continuing basis. British military representatives in Washington would be available to answer any questions which the US Joint Chiefs of Staff might have.

The Foreign Office, Lord Jellicoe said, approved the idea that the French should be brought into discussions of the general problem of western policy toward Yugoslavia and desired to pass on to the French, if we had no objection, a copy of their reply to our *Aide-Mémoire* of December 19. I said that, as they knew, we had already approached the French Government along the same lines of our approach to the British Government last December. However, our communication to the French had been in less detail and not in the same form as the *Aide-Mémoire* to the British.[4] Accordingly, it would probably not be desirable to give the French the textual copy of the British reply to us which deals with a specific number of points corresponding to those of the Department's *Aide-Mémoire* of December 19. However,

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[3] The Department of State's memorandum of December 19, 1949, under reference here, not printed, summarized the principal conclusions and recommendations of document NSC 18/4, November 17, 1949, "United States Policy Toward the Conflict Between the USSR and Yugoslavia." For text of NSC 18/4, see p. 1341. The British Foreign Office reply, dated April 1950 and its eight-page annex are not printed. The substance of the British reply is contained in telegram 2074, May 4, to London, *infra*.

[4] For the substance of the communication to the French Government under reference here, see telegram 179, January 13, to Paris, p. 1353.

the Department might have no objection if the British supply the French with the substance of their comments to us, since these comments do cover in a general way the same points which were mentioned in our presentation of the problem to the French Government and their reply to us. I told Lord Jellicoe that we would let him know shortly whether there was any objection.

It may be noted that the British reply contains a proposal for the sending of a US–UK military mission to Yugoslavia, making no mention of French participation. Possibly the British may wish to leave this item out when giving the French the substance of their communication to us.

[JOHN C. CAMPBELL]

768.00/5–250 : Telegram

The Secretary of State to the Embassy in the United Kingdom [1]

TOP SECRET WASHINGTON, May 4, 1950—5 p. m.

2074. Dept has now recd from Brit Emb reply to *Aide-Mémoire* Dec 1949 [2] re our policy toward conflict between USSR and Yugo. UK in agreement gen line our Yugo policy. However, UK suggests Yugo not be given higher priority for arms than NAT countries and states difficult find arms for Yugo during next few years from UK stocks or planned production. It further proposes, if YuGovt asks purchase US or UK arms, agreement shld be conditioned by Yugo acceptance US and/or UK mil mission secretly to study Yugo requirements and plans. Care shld be exercised not permit YuGovt believe it cld secure aid on larger scale than wld be reality in order discourage exaggerated requests. It cld be informed that in event Yugo attacked it wld receive such mil supplies as US and UK Govts with other commitments cld furnish. Arms wld not be supplied without fullest inquiry by competent US–UK technicians of actual requirements.

Views of Fr [3] and Brit Govts now being studied in order formulate US position upon technical points raised. You will be informed when this completed, at which time US may propose to UK and Fr Govts instituting in Wash technical level conversations, both polit and mil, which wld seek iron out any remaining differences and keep abreast changing conditions, in order that if and when decision taken provide mil supplies to Yugo, appropriate action may be taken with minimum delay.

ACHESON

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[1] Repeated to Paris as 1987.

[2] Regarding the *aide-mémoire* and reply under reference here, see Campbell's memorandum of conversation, *supra*.

[3] See telegram 579, February 6, from Paris, p. 1363.

881.411/5-550 : Telegram

The Secretary of State to the Embassy in Yugoslavia

CONFIDENTIAL WASHINGTON, May 5, 1950—6 p. m.

356. Athens tel 16, May 4.[1] Subj repatriation Grk children from Yugo raised by Grk Amb [2] with Dept May 5.

Dept entirely sympathetic Grk objective but leaves ur judgment whether US *démarche*, along lines fol para, at this moment likely accelerate progress or, by irritating Yugos, constitute spoke in wheel. You of course have text Dept note Yugo Emb Wash Feb 24, 1950 [3] and Dept memo conversation with Kosanovic same date [4] which gives US viewpoint subj Grk children and which may provide point of departure raising matter with Yugos.

At ur discretion, therefore, in welcoming contemplated exchange Mins between Yugo and Greece,[5] you may also express to Yugos in strong terms our hope that improved Grk relations will involve immed carrying out of Tito's categoric promise to you that Grk children wld be repatriated (Embtel 98 Jan 26 [6]). US public opinion thoroughly aroused over procrastination this matter which, if prolonged, wld prove highly embarrassing US-Yugo relations. In Greece position of progressive Plastiras Govt, which already under attack by reactionary elements, likely be threatened if exchange Mins not followed or preferably accompanied by repatriation children. More fundamental considerations, however, are humanitarian and not polit. Children of Slavic race in Yugo with parents or relatives are not involved. Concern is for children of Hellenic race separated from parents and families in Greece. (Difficult believe, incidentally, that such children number only 123 as recently reported from Yugo.) Demand of fami-

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[1] Telegram 1012, May 4, from Athens, repeated as 16 to Belgrade, not printed, reported that Theodoros Grivas-Gardikiotis, Director of the Third Political Department of the Greek Foreign Ministry, had informed an officer of the Embassy in Athens that the Greek Government had instructed its Ambassadors in Washington, Paris, and London to make formal *démarches* to the end that the governments to which they were accredited would bring pressure to bear on Yugoslavia to repatriate Greek children abducted during the Greek civil war as soon as possible and without demanding a *quid pro quo* from Greece (881.411/5-550).

[2] Vassili G. Dendramis.

[3] Not printed, but see telegram 59, January 30, to Belgrade, p. 1359.

[4] Not printed, but see footnote 2, *ibid.*

[5] On April 15, 1950, Gen. Nicholas Plastiras, leader of the Greek National Progressive Union of the Center, took office as Greek Prime Minister in a coalition cabinet. Shortly afterwards, the Yugoslav and Greek Governments informally agreed to resume full diplomatic relations and exchange ministers. Prime Minister Plastiras formally announced agreement on the matter on May 10.

[6] Not printed, but see the second footnote 1, p. 1357.

lies in Greece for children's return is insistent, genuine and pathetic. It cannot be ignored.[7]

ACHESON

[7] Telegram 595, May 6, from Belgrade, not printed, stated that the Embassy concurred fully with the view that the Yugoslav Government should return the abducted Greek children immediately without demanding any *quid pro quo*. The Embassy felt strongly, however, that a three-power *démarche* or any other form of pressure on Yugoslavia was not the effective way of obtaining return of the children. The Yugoslav Government almost invariably reacted negatively to pressure. Friendly persuasion was the best tactic to adopt (881.411/5-650).

668.81/5-850 : Telegram

The Ambassador in Yugoslavia (Allen) to the Secretary of State

CONFIDENTIAL BELGRADE, May 8, 1950—8 p. m.

607. Dept's 356, May 5, 6 p. m.[1] I informed Deputy Foreign Minister Prica today that my government welcomed contemplated exchange Ministers between Yugoslavia and Greece and earnestly hoped that improved relations would result in solution of question of Greek children. I said no single question concerning Yugoslavia created as much misunderstanding in American public opinion as this one, and referred to Marshal Tito's assurances to me on subject. I said Yugoslav authorities had been anxious to see progressive Plastiras Government formed and were undoubtedly equally anxious for it to remain in power but that Greek Prime Minister was under severe attacks and would be threatened if real progress re children were not made in near future. I said my government was not referring to children of Slavic race living in Yugoslavia with parents or relatives but that we were concerned about all children of Greek race whose parents and families were not in Yugoslavia.

During long but friendly conversation I added that Yugoslav willingness to return children whose parents specifically asked for them was not good enough. I referred particularly to 1,100 or more Greek children in orphanages in Yugoslavia whose parents are unknown, and to pretension of some Yugoslavs that these orphans were being cared for better where they were than they would be in Greek orphanages. I emphasized that this was entirely beside the point and that all Greek orphans should be sent back to Greece immediately and that American public would never understand any other solution.

Prica agreed that Plastiras was under pressure and that Yugoslavs would be glad to help strengthen his position. He noted with interest that US was not concerned with Slavic children. He readily concurred that Americans and others would not understand Yugoslav refusal to return children whose parents were un-

[1] *Supra.*

known and strongly implied that he personally thought they should be returned. He said Dr. Milosovic (Embassy's 595, May 6 [2]) would discuss question in Geneva this week and that Plastiras would undoubtedly take it up with Yugoslav Chargé in Athens tomorrow.[3]

I said I was disposed to leave written memorandum with him on subject, to emphasize seriousness. He thought it might be preferable to wait two weeks and consider whether we wished make more formal representations in light of developments meanwhile. I am confident he is anxious to do what he can on this question and accepted his suggestion.

I have informed British Chargé of foregoing. He has received no instructions from London.

Sent Department 607, repeated Athens 46.

ALLEN

[2] Not printed. It reported, *inter alia*, that Dr. Olga Milošević, the Secretary General of the Yugoslav Red Cross, had departed for Geneva to attend a meeting of the International Red Cross to consider the question of the Greek children. No dramatic success was likely to be achieved, but it was evident that the Yugoslav Government was deeply concerned by the adverse world public opinion on the matter (881.411/5–650).

[3] Telegram 1067, May 10, from Athens, not printed, reported that the Embassy had been informed by the Greek Foreign Ministry that Yugoslav Chargé Serif Sehović had called on Prime Minister Plastiras the previous day formally to propose the exchange of ministers between Greece and Yugoslavia. There was also a discussion of the steps to be taken in connection with the return of the Greek children and the resumption of rail and other communications between the two countries (668.81/5–1050). Ten days later Yugoslavia requested Greek agreement to the naming of Sehović as Minister to Greece, and Greece proposed Dimitrios Pappas, Director of the Ecclesiatical Section of the Greek Foreign Ministry, to be Minister to Yugoslavia.

Editorial Note

Secretary of State Acheson, British Foreign Secretary Bevin, and French Foreign Minister Schuman met in conference in London, May 11–13. At their first meeting on May 11, Secretary Acheson raised the question of possible concerted tripartite action to provide some economic assistance to Yugoslavia. No decision was reached, but Bevin and Schuman appeared to be favorably disposed to the suggestion. The record of this meeting is included in the documentation on the Tripartite Meeting of Foreign Ministers, volume III, pages 828 ff. This documentation also includes records of the prior, preliminary meetings of American, British, and French Representatives wherein the question of economic assistance to Yugoslavia was first raised by the United States.

768.11/4-2850 : Telegram

The Acting Secretary of State to the Embassy in Yugoslavia

SECRET WASHINGTON, May 15, 1950—5 p. m.

382. Embtels 560, Apr 27 and 570, Apr 28.[1] Tito's recent speech and press conference must be considered encouraging sign in direction closer relations with West, particularly with neighboring states. As it will be important for US to know whether and in what ways Tito actually moves in this direction, Dept hopes Emb will continue full reporting on such developments.

It has been axiom of our Yugo policy not to make polit concessions the price of econ aid and not to press for changes in Yugo domestic polit system, taking into account Tito's determination to demonstrate his freedom from domination of West as of East. At same time US does have legitimate interests in certain aspects of Yugo fon relations and must take appropriate opportunities to advance them. We wish to encourage Yugo trade orientation to West and estab *modus vivendi* with Western system on basis mutual advantage and mutual respect for rights and independence. Primary problem in this regard is resolution of serious issues impeding better relations with Greece and Italy.

Advent Plastiras Govt in Greece apparently has opened way to gen improvement relations between Yugo and Greece. Except on humanitarian issue of Grk children (Embtel 607, May 9[2]), which judging from most recent reports now on way to solution, Dept believes best procedure from US viewpoint at this stage is for Yugo and Grk Govts to set own pace in reaching more normal relationship through exchange chiefs of mission, reopening railroad and Salonika free zone, and expanding trade. US may be able to contribute to latter in continuing efforts already begun, with purpose of easing Yugo dollar position, to foster Grk purchases of Yugo goods with ECA dollars.

Better Yugo-Ital relations are obviously of major importance to Western policy and may be crucial, if only for reasons of geography, in event of Sov aggression against Yugo and in event of Western decision to give mil aid to Yugo. Trieste is of course key problem, absence of settlement making it difficult to deal with other outstanding issues in atmosphere poisoned by periodic outbursts of hypernationalism and mutual recrimination. At present the prospects for solution Trieste problem not bright, although recent Ital proposals

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[1] Neither printed; they reported on Marshal Tito's address of April 27 to the Yugoslav People's Assembly and his general press conference of April 28, respectively (768.11/4-2750 and 768.11/4-2850). For the full texts of the address and the press conference, see *Tito: Govori i Chlantsi*, vol. V, pp. 87–171. For a long extract from Tito's address, see Carlyle, *Documents on International Affairs, 1949–1950*, pp. 497–500.

[2] Not printed.

(Rome's 1967, May 10, to Dept[3]) are promising. However, in view Tito's own statement in Apr 27 speech that mutual endeavor to improve econ and other relations can only contribute to easier solution of disputed questions, Dept believes US influence shld continue to be exerted toward bringing Itals and Yugos closer together. If Yugo trade is to be tied into Western Eur economy, it is vital that Italy and Yugo, as each other's natural customers, shld evolve some broader understanding.

Despite favorable tone of Tito's recent pronouncements, it is important to bear in mind that growing confidence of Yugo leaders may reflect belief that they will receive Western support in all eventualities and may create exaggerated impression indispensable niche Yugo holds in Western calculations. Popovic's remark that Yugovt shocked and surprised at Garner statement no final decision yet made on IBRD loan (Embtel 596, May 6[4]) may be merely further illustration Yugo misunderstanding Bank's position indicated by Kardelj speech before Assembly Dec 1949.[5] However, it also may exemplify failure to realize Western econ support not automatic and may depend on Yugovt's own performance. Delay in IBRD loan in addition to Exim Bank ltr to Kosanovic (Deptels 317, Apr 20 and 321, Apr 21[6]) may be helpful in dispelling illusions on that score.

Dept desires avoid dangers flowing from Yugo miscalculations concerning US intentions and possible requests for aid far in excess of what can or will be given (such as suggested in recent Alsop articles from Belgrade). Such development wld provide fuel for public controversy and make more difficult for Dept to continue present effective support of Yugo efforts maintain independence against Sovs and to carry out our basic Yugo policy as laid down by NSC.

Dept wld welcome Emb comments on above. No specific action involving approach to Yugos contemplated at this time.

WEBB

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[3] Not printed. For documentation on the attitude of the United States regarding the problem of Trieste, see vol. III, pp. 1302 ff.

[4] In the course of a press conference on May 1, Robert L. Garner, Vice President of the International Bank for Reconstruction and Development, commented briefly on the status of a prospective IBRD loan to Yugoslavia and suggested the possibility that there might be no loan at all. In the telegram under reference, not printed, Ambassador Allen reported having been informed by Yugoslav Ambassador-Designate to the United States Vladimir Popović that his government was surprised and shocked at Garner's statement. Popović warned that it might be necessary for the Yugoslav Government to react publicly to the statement (868.10/5-650). For a review of the status of the prospective IBRD loan to Yugoslavia, see the Department's information telegram of May 1, p. 1410. Regarding the appointment of Ambassador Popović, see footnote 1, p. 1421.

[5] See footnote 2, p. 1348.

[6] Telegram 317, not printed, transmitted the text of the letter of April 20 from Export-Import Bank President Gaston to Ambassador Kosanović, p. 1407. Telegram 321, not printed, reported upon certain revisions made in that letter; see footnote 1, *ibid.*

S/S-NSC Files : Lot 63 D 351 : NSC 18 Series

Memorandum by the Acting Secretary of State to the Executive Secretary of the National Security Council (Lay)

TOP SECRET [WASHINGTON,] May 16, 1950.

Subject: Second Progress Report on the Implementation of NSC 18/4, "United States Policy Toward the Conflict Between the USSR and Yugoslavia."[1]

NSC 18/4 was approved as Governmental policy on November 18, 1949. It is requested that this Progress Report, dated May 8, 1950, be circulated to the members of the Council for their information.

The established U.S. policy of limited economic support of Yugoslavia, which helps that country resist Soviet pressures, has been maintained. In addition to continuing its relaxation of export licensing controls for Yugoslavia, the United States has taken the following measures: (1) Supported a pending multiproject credit from the International Bank to total $25 million and to be allocated in dollars, as well as the currencies of several Western European states; (2) Endeavored to persuade the Belgian Government to postpone certain payments becoming due from Yugoslavia; (3) Continued efforts to increase Yugoslavia's dollar earnings by ECA off-shore procurement in Yugoslavia; (4) Helped to assure the signature of the important German-Yugoslav trade and credit agreement on April 18, 1950;[2] and (5) accorded a second Exim Bank credit of $20 million, signed on April 20, 1950, designed to meet a pressing Yugoslav need for emergency credits to cover the dollar gap in its balance of payments, which would permit it to import needed raw materials in 1950.[3]

NSC 18/4 envisages the possibility of the shipment of arms to Yugoslavia in certain contingencies. The Yugoslav Government has begun to purchase some military supplies abroad, but has not yet made a specific request of the United States for assistance in this field. Further implementation of U.S. policy with respect to reimburseable assistance will depend in large measure on specific Yugoslav requests and on continued discussions now in progress with other Western nations.

The studies requested under paragraph 27a of NSC 18/4 have been completed and estimates of Yugoslav requirements for military supplies are available. The Joint Chiefs of Staff have approved the estimates of Yugoslav, Soviet and Satellite armed strength which could be mobilized under the various contingencies outlined in the NSC

[1] For text of NSC 18/4, November 17, 1949, see p. 1341. For the first progress report on the implementation of NSC 18/4, see Deputy Under Secretary of State Rusk's memorandum of January 31 to Executive Secretary Lay, p. 1360.

[2] Regarding the American attitude with respect to the conclusion of the Yugoslav-Federal trade agreement, see footnote 3, p. 1395.

[3] Regarding the Export-Import Bank credit to Yugoslavia, approved March 1, see telegram 142, March 1, to Belgrade, p. 1378.

document. They have also approved a study giving present U.S. estimates of Yugoslav military supplies on hand and future requirements.

A study made by the Defense and State Departments on the extent and manner by which U.S. supplies might be made available at an appropriate time has been completed and is expected to be formalized and distributed shortly.[4]

A study has been virtually completed under the auspices of the Foreign Military Assistance Correlation Committee (in consultation with the Bureau of the Budget) of methods to provide military assistance to Yugoslavia on an emergency basis, since such assistance is not provided for in existing legislation. This study has been obliged to take into account not only Yugoslav conditions but those of other countries throughout the world not covered by existing legislation.[5]

The Department of State at the turn of the year informed the British, Canadian and French Governments of the essential conclusions of NSC 18/4. The French Government replied by indicating its general concurrence with those conclusions.[6] With respect to military aid, the French Government stressed its view that light military equipment might be made available, but only when Yugoslav intentions are made clear and if the action does not reduce the defensive capabilities of the Atlantic Treaty Powers. The UK reply, just received, is in substantial accord with U.S. objectives.[7] It further suggests that, in the event of a request for arms, a secret US and/or UK military mission be agreed to by Yugoslavia to check upon its requirements. The British Government states also that it would be difficult for such supplies to be made available in the next few years from its existing stocks of planned production.

The replies of the UK and France are now being studied. When the U.S. position is further clarified in the light of those replies, it is expected that the United States will ask the UK and France to consult in Washington, when required, on the political and military technical level. This would be done to iron out any differences and to keep abreast of changing conditions, so that, if and when a decision is made to provide military supplies to Yugoslavia, appropriate action may be taken by the three Powers with the minimum of delay.

In the field of propaganda and public information, the policies outlined in NSC 18/4, in so far as they are at present applicable, are being supported by the Voice of America and related activities under a directive prepared by the Department of State.

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[4] None of the studies referred to in this paragraph is printed.

[5] The reference here is to Foreign Military Assistance Correlation Committee document D-40, May 25, 1950, not printed.

[6] See telegram 579, February 6, from Paris, p. 1363.

[7] See the memorandum of conversation by Campbell, May 2, p. 1410, and telegram 2074, May 4, to London, p. 1412.

At present the United States has no firm evidence indicating the USSR intends to embark on aggressive moves, either direct attack or guerrilla operations, against Yugoslavia. Hence, some of the conclusions of NSC 18/4, which are based on future contingencies which have not yet come to pass, are not discussed in this Progress Report.

JAMES E. WEBB

668.81/5-1950 : Telegram

The Acting Secretary of State to the Embassy in Greece [1]

CONFIDENTIAL WASHINGTON, May 23, 1950—6 p. m.

941. Embtel 1155 May 19.[2] Concur ur remarks to Politis re internal admin Grk Fon Service.

Also think Politis unduly sensitive re exceedingly mild reference by Kardelj to problem of treatment Grk Macedonians in speech for internal Yugo consumption which otherwise very friendly to Greece (Belgrade's 645 May 18 [3]). This Yugo "grievance" against Greece wld, moreover, seem to be in same gen category as Grk "grievance" over alleged Yugo aspirations to Grk Macedonia.

These echoes of long-outstanding Yugo-Grk problems must be expected to reverberate for some time, and extreme statements, whether in Grk Parliament, or in Yugo (such as Lazar Mojsov's on May 17 [4]) are unfortunate and shld be discouraged so far as possible. On other hand Grk-Yugo *rapprochement* is not served when such irresponsible remarks are unnecessarily taken up and amplified by other side.[5]

WEBB

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[1] This telegram was repeated to Belgrade as 397.

[2] In an appearance before the Foreign Relations Committee of the Yugoslav National Assembly on May 16, Foreign Minister Kardelj commented upon Yugoslavia's diplomatic relations with neighboring states. In his statement regarding relations with Greece (for the text, see Carlyle, *Documents on International Affairs, 1949–50*, p. 501), Kardelj briefly mentioned the Macedonian question as a still unresolved issue. Telegram 1154, May 19, from Athens, not printed, reported that Greek Permanent Undersecretary of State for Foreign Affairs Ioannis Politis had issued a declaration to the press denouncing Kardelj's raising of the Macedonian question as contrary to the spirit of the renewal of relations between Greece and Yugoslavia (668.81/5–1950). Telegram 1155, May 19, from Athens, not printed, reported that Politis had stressed to Chargé Harold B. Minor Greek concern over the raising of the Macedonian question by Kardelj (668.81/5–1950).

[3] Not printed. It reported on Kardelj's statement on Yugoslav relations with Greece (768.00/5–1850).

[4] Mojsov, a deputy in the Yugoslav National Assembly, had alleged that Greece continued to persecute its Macedonian minorities.

[5] Telegram 942, May 23, to Athens, not printed, repeated to Belgrade as 398, informed that officers of the Department of State had strongly cautioned Paul Economou-Gouras, the Greek Chargé in Washington, against Greek hypersensitivity on the Macedonian question. The Department's officers stressed to Gouras the importance of a *rapprochement* between Yugoslavia and Greece and other Western powers and pointed out that the United States avoided reacting to routine Yugoslav propaganda against "Western imperialism" (781.00/5–2350).

868.00/6–1950

Memorandum of Conversation, by the Secretary of State

SECRET [WASHINGTON,] June 19, 1950.

Participants: The Secretary
Mr. Charles W. Yost, Director, Office of Eastern European Affairs
Mr. Vladimir Popovic, Yugoslav Ambassador [1]
Mr. Bruner, Interpreter [2]

The Yugoslav Ambassador expressed regret that he had not been able to call upon me sooner in view of the fact that I had been absent when he arrived. He said he hoped he might look forward to a frank and friendly collaboration with me as well as other representatives of the US Government on problems of common concern and that he might seek my assistance whenever necessary in dealing with these problems. I assured him that I would be happy to render to him such assistance as was in my power and that we were pleased to welcome him to Washington.

The Ambassador said that, since he had already been here some time, he should like to take advantage of the opportunity of his first call on me to take up one or two matters of business; he would be particularly interested to hear my views on the general economic situation of Yugoslavia. I replied that, while I was naturally not acquainted with the details, I had the impression that Yugoslavia is coping successfully with the very difficult economic problems which have confronted it during the last year and a half in its efforts to maintain its independence. I declared that we have been happy to assist in those efforts and should continue to do so. I pointed out that when I had discussed these matters with the Yugoslav Foreign Minister last autumn,[3] I had suggested that the Yugoslav Government make every effort to conserve its dollar resources since the possibilities of US aid are obviously not unlimited.

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[1] In late March 1950, the Yugoslav Government designated Deputy Foreign Minister Vladimir Popović to succeed Sava Kosanović as Ambassador in the United States. Popović, a member of the Central Committee of the Yugoslav Communist Party, had earlier served as Yugoslav Ambassador in the Soviet Union from March 1945 to September 1948. In his telegram 365, March 20, from Belgrade, not printed, Ambassador Allen commented that Popović was very influential in Yugoslav Government and Communist Party circles and was very close to Marshal Tito. Popović's appointment indicated the great importance Tito attached to relations with the United States (601.6811/3–2050). Telegram 368, March 20, from Belgrade, not printed, reported hints from the Yugoslav Foreign Ministry that Kosanović had been replaced because as a non-Communist he carried inadequate weight with the Department of State (601.6811/3–2050). Ambassador Popović presented his credentials to President Truman on June 5.

[2] Dr. Mirko Bruner, who subsequently became First Secretary of the Yugoslav Embassy.

[3] Secretary of State Acheson's memorandum of his conversation with Foreign Minister Kardelj on November 18, 1949, is printed in *Foreign Relations*, 1949, vol. v, p. 978.

The Ambassador declared that the Yugoslav economic situation is on the whole sound, that great progress has been made, but that serious difficulties still remain. He pointed out that a large proportion of its resources were necessarily being expended for defense at this time when Yugoslavia's neighbors are increasing their armaments. This had had the unfortunate effect that it had been impossible for the Yugoslav Government to take the steps it had contemplated to raise the standard of living of its people, which remains extremely low.

The Ambassador expressed appreciation of my indication of US willingness to assist Yugoslavia but said that, speaking frankly, he had not met with the same understanding from all US officials with whom he had conferred. He was particularly concerned with the attitude of the International Bank, where he had had several conversations with Mr. Black and other officials. It had been the understanding of his government that the negotiations for an International Bank loan had been practically concluded last October. However, difficulties and delays have continuously arisen and it now appears that the International Bank is attaching further conditions in connection with settlements with foreign bondholders.[4] He hoped that I would be able to assist in straightening out this matter.

I replied by pointing out, first, that the International Bank is not a US institution nor Mr. Black a US Government official and, second, that, since the bank can obtain funds only by selling securities and since the purchasers of the Bank's securities attach importance to whether or not borrowers from the Bank are meeting their earlier obligations, the bank must necessarily be concerned in all cases in the attitude of prospective borrowers toward meeting their earlier obligations. This indicated no reluctance on the part of the Bank to make a loan to Yugoslavia but merely an established procedure which was necessary to enable the Bank itself to obtain funds. I suggested that it would be desirable for the Yugoslav Government to undertake negotiations for the settlement of its earlier indebtedness and at the same time to pursue its negotiations with the International Bank. I added that the Ambassador should discuss this question further with Mr. Thorp [5] and Mr. Yost, who would speak for me in this connection.

The Ambassador also referred to Yugoslavia's relations with Italy and said that his government felt it particularly important to settle outstanding economic problems with Italy. I replied that I was de-

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[4] Regarding the negotiations between the Yugoslav Government and the Foreign Bondholders Protective Council on the settlement of Yugoslavia's prewar bonded indebtedness, see the editorial note, p. 1396.

[5] Willard L. Thorp, Assistant Secretary of State for Economic Affairs.

lighted to hear that this is his government's desire and I hoped that they will proceed to negotiate promptly. When the Ambassador remarked that there had been Italo-Yugoslav economic negotiations which had been broken off after almost achieving a successful conclusion, I urged that negotiations on these and all matters outstanding between the two governments be resumed. I suggested that my advice to both parties would be to negotiate privately and not to make speeches.

The Ambassador then mentioned that his government is now entering upon negotiations with the West German Government for extensive commercial exchanges which could be, if successfully arranged, of great importance to the Yugoslav economy. He expressed the hope that the US Government would view these negotiations favorably and render assistance if necessary. I replied that we should be glad to be of any assistance possible in facilitating these negotiations.[6]

In conclusion, I pointed out that the US is assisting, and is disposed to continue to assist, Yugoslavia not for sentimental reasons but simply because it is in the interest of the US, as of Yugoslavia, that the latter continue to maintain its independence. I stated that the US is not intervening, and does not intend to intervene, in the internal affairs of Yugoslavia and that it does not wish to see others intervene in those affairs. I declared that we were impressed by the efforts Yugoslavia is making to maintain its independence. I expressed the hope that our aid would continue to serve this purpose and might also assist Yugoslavia in the future in raising the standard of living of its people.

[Dean Acheson]

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[6] Telegram 4711, June 30, to Frankfort, not printed, reported Secretary Acheson's expression of willingness to render assistance in facilitating Yugoslav-Federal commercial negotiations and instructed the Office of the High Commissioner in Germany to keep in touch with the negotiations and provide any assistance that might be indicated (462A.6831/6–3050).

868.10/6-2150

Memorandum of Conversation, by Mr. Harry H. Bell of the Investment and Economic Development Staff

SECRET [WASHINGTON,] June 21, 1950.

Participants: Yugoslav Embassy: Mr. Vladimir Popovic, Ambassador
Yugoslav Embassy: Mr. Milenko Filipovic, Economic Minister
E—Mr. Willard L. Thorp
EE—Mr. Charles W. Yost
EE—Mr. Gustavus Tuckerman
OFD—Mr. Leroy D. Stinebower
ED—Mr. Harry H. Bell

The Yugoslav Ambassador referred to his recent interview with the Secretary regarding Yugoslavia's need for long-term dollar financing from the I.B.R.D. and the Eximbank, and the Yugoslav desire for the Department's support, particularly vis-à-vis the former institution.[1] The present visit to Mr. Thorp was in response to the Secretary's suggestion.

The Ambassador then pointed out that the long-discussed I.B.R.D. loan was now being held up by the Bank's insistence on a prior settlement of Yugoslavia's pre-war foreign debts. Mr. Thorp replied that he understood that Mr. Black of the Bank had made a new and very conciliatory proposal, namely, that Yugoslavia make a firm commitment of the amounts it was prepared to set aside each year to meet the claims in question. Such a commitment, if in a reasonable amount, would be viewed by Mr. Black as an acceptable sign of good faith in lieu of actual settlement with the creditors. Mr. Black would also urge this view on the I.B.R.D. Board.[2]

Ambassador Popovic stated that this had been discussed by his Government, which was prepared to take a positive attitude to the Black proposal on certain conditions. Yugoslavia was ready to set aside from its budget $3.5 million annually for the foreign creditors provided that:

(1) I.B.R.D. would make a formal commitment to extend the loan already under discussion;

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[1] See the Secretary of State's memorandum of conversation, *supra*.

[2] IBRD Bank President Black's views summarized here were contained in his letter of June 7 to Ambassador Popović, not printed, which followed their meeting of June 6. It was pointed out in Black's letter as well as during a conversation between Tuckerman and A. S. G. Hoar, Assistant Loan Director of the IBRD, that Bank acceptance of the type of commitment by Yugoslavia outlined here would be contingent upon the determination by the IBRD Staff that the anticipated debt loan would be consistent with Yugoslavia's economic position and prospects (memorandum of conversation by Tuckerman, June 20, 1950: 868.10/6-2050).

(2) I.B.R.D. would give general assurances regarding additional loans to Yugoslavia to be requested in the future;

(3) the U.S. would give its views on the prospects for future Eximbank loans, agreeing "in principle" to such loans;

(4) the U.S. would support Yugoslavia's requests vis-à-vis I.B.R.D.;

(5) the U.S. would assist Yugoslavia in tapping loan possibilities from other countries, such as the U.K., France, and West Germany.

The Ambassador stated that the proposed set-aside for the creditors was inseparable from the commitments regarding future assistance, since the funds to meet the former would be derived from the increased earning power of the Yugoslav economy, which in turn would be stimulated by the incremental credits.

When Mr. Thorp asked how specifically the Yugoslavs were prepared to define and justify their requirements for further assistance, the Ambassador replied that they would first have to know our views "in principle". They do not wish to prejudice their present loan negotiations by putting in new specific requests at this time.

Mr. Thorp pointed out that loans are not granted "in principle." It is always necessary to have a complete picture before even agreeing "in principle" to a loan. The Yugoslav Government knows that we are in general in favor of loans to Yugoslavia when these can be justified. The question is, how much new debt can Yugoslavia service? We have no opposition "in principle" to further loans, but we cannot commit ourselves "in principle" to envisaging indefinite lending year-in-year-out.

Ambassador Popovic said he was gratified with this partial encouragement and asked how he should proceed. Mr. Thorp suggested the next step would be to meet with Mr. Gaston and Mr. Martin [3] and himself to discuss more specifically the requirements and possibilities in the picture.

The Ambassador then said he also wanted to discuss his proposals with I.B.R.D., but would like to discuss figures, etc. further with Mr. Thorp before approaching I.B.R.D. Mr. Thorp pointed out he was not in a position to negotiate for I.B.R.D. In any case, Mr. Martin should be in on any such discussion. Therefore the joint meeting with Mr. Gaston and Mr. Martin should be held as soon as possible, preferably before the end of this week. This suggestion was agreeable to the Ambassador.[4]

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[3] Edwin M. Martin, Director of the Office of European Regional Affairs.

[4] Telegram 510, June 27, to Belgrade, not printed, reported that, at a meeting at the Export-Import Bank on June 23, Ambassador Popović had made an oral presentation of overall Yugoslav financial requirements. Three hundred million dollars would be required for full settlement of payment balances and implementation of priority plans for reconstruction and the raising of the standard of living. One hundred million dollars of this sum was expected from IBRD

Footnote continued on following page.

In leaving, Ambassador Popovic expressed gratitude for U.S. assistance at Brussels and elsewhere in making the aluminum trio rolling mill available for Yugoslavia.[5] He would also appreciate any assistance we could give in the matter of the current negotiations for a credit from Western Germany.[6]

[HARRY H. BELL]

Footnote continued from preceding page.

and Export-Import Bank loans during 1950 and 1951. The remainder was expected from Germany, Italy, France, and Britain (868.10/6–2750). Subsequently, telegram 63, July 22, to Belgrade, not printed, reported that on July 20 the Board of Directors of the Export-Import Bank of Washington approved the consideration of a credit to finance Yugoslavia's current account dollar needs for the remainder of the year. The Bank had requested the National Advisory Council to give consideration to the credit, the amount of which was not specified (868.00/7–1850).

[5] The mill under reference here was assigned to Yugoslavia by the Inter-Allied Reparation Agency as a portion of Yugoslavia's share from German reparations.

[6] Regarding the attitude of the United States toward Yugoslav-Federal commercial and credit negotiations, see footnote 6, *supra*.

768.11/6–2050 : Telegram

The Secretary of State to the Embassy in Yugoslavia

SECRET PRIORITY WASHINGTON, June 21, 1950—7 p. m.
NIACT

490. Ur 782, June 20.[1] In course talk with Tito in ur discretion you may find occasion repeat gen remarks re indispensable role Amer public plays in implementation US fon policy. You also might be able to state view that it is in Yugo interest and those of Western neighbors to see steady improvement their relations (see Deptel 382 May 15 [2]).

With regard to Greece, it may be possible to mention as in Yugo-Grk interest that they proceed on practical basis toward broader official and econ relations and impression this can best be achieved through confining matters to constructive steps such as reopening railroad link, natural trade relations and settlement of Grk children question, and avoidance raising subj such as Slav minority in Greece which can only embitter opinion on both sides.

If conversation ranges to question of Trieste, you may be guided by Deptel 482, June 20.[3] Further, you may find it expedient to express hope there will be avoidance of acts creating abroad impression of restrictive policies which can be exploited by those antagonistic to Yugo-Ital *rapprochement*.

ACHESON

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[1] Not printed; it reported that Ambassador Allen was to have a meeting with Marshal Tito just prior to the latter's departure for vacation (768.11/6-2050).

[2] *Ante*, p. 1416.

[3] Not printed.

768.00/6–2250 : Telegram

The Ambassador in Yugoslavia (Allen) to the Secretary of State

SECRET BELGRADE, June 22, 1950—6 p. m.

789. My conversation with Tito today was longest and on whole most satisfactory I have had. Various subjects discussed will be reported in separate telegrams.[1]

I began by saying I had read again with considerable interest Tito's opening speech in Parliament (Embassy's 560, April 27 [2]), in which he expressed desire to improve relations with Greece, Italy and Austria. I said that I hoped I was correct in believing he thought Yugoslavia, situated geographically in center of these countries, should take lead in bringing about this improvement. Tito said I had interpreted his position correctly.

I then asked whether he had in mind, following settlement of Trieste question, that Four Powers concerned might let it be known that they regarded their mutual boundaries as fixed for indefinite future.

Tito said that while he would not wish to participate in anything smacking of a bloc, Trieste presented only unsettled boundary question for Yugoslavia and that when mutually satisfactory agreement with Italy had been reached on this subject, there was no reason why Irredentism might not be banished by all concerned.

I welcomed his point of view and said it encouraged me to broach delicate but equally important question of minorities. It seemed to me that pressure by one country on behalf of its minorities in another often defeated its own purpose since result was that minorities were rendered suspect as agents of political instruments and treated more harshly than they might otherwise have been.

Although I carefully avoided indicating any particular area, Tito promptly declared that his recent statements regarding "Aegean Macedonia" had been limited to expression of interest that Macedonians be permitted to retain their schools, language and customs. He said that if he did not concern himself with all Macedonians,

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[1] In his telegram 790, June 22, from Belgrade, not printed, Ambassador Allen reported that during his conversation with Tito he referred to the question of the return of the Greek children to Greece. Allen explained that the concern of the American public on the subject had in no way diminished and that Tito could settle the matter without causing embarrassment by accepting the Greek suggestion that a mixed commission of International, Yugoslav, and Greek Red Cross representatives be established to identify those Greek children remaining in Yugoslavia. Tito showed some irritation at again being pressed on the matter. He reaffirmed his determination to return all Greek children to their parents as soon as requests and identification were completed (881.411/6–2250). Telegram 795, June 23, from Belgrade, not printed, reported that it was evident during the conversation that the chief question Tito had in mind to discuss with Allen was the representation of Communist China in the United Nations (310.2/6–2350). Documentation on the question of the admission of Communist China into the United Nations is presented in vol. II, pp. 186 ff.

[2] Not printed, but see footnote 1, p. 1416.

Soviet Russia, acting through Bulgarian spokesmen, would be prompt to do so. He could not allow Cominform to appear as only friend of Macedonians and thereby make much mischief for him in Yugoslavia [*Yugoslav?*] Macedonia. He believed Greeks should appreciate his position since their interests were same as his in this respect.

I referred to American parallel and said that while we permitted greatest cultural freedom in US, we insisted on political loyalty to US by every one living in our boundaries and felt that people living permanent[ly] elsewhere should be loyal to country in which they lived. I expressed confidence that if Tito followed policy of encouraging any Macedonians living in Greece to be loyal to Greece, he would go long way towards removing Athens' concern over his recent statements.

Tito denied any desire to use Macedonians as political instruments and offered his internal policy as evidence. He said that whereas Yugoslav Monarchy had tried to force all Yugoslavs to be Serbs, he was encouraging them to be Montenegrins, Serbs, Croats, etc., as well as Yugoslavs. He used illustration of US and said we were strong nation for very reason we permitted state, regional and cultural loyalties as basis for larger loyalty to nation as whole. He was convinced people would understand his position regarding Yugoslav minorities abroad when they had had more opportunity to observe his internal policy.

While conversation was inconclusive, it was friendly throughout and I believe useful. At least it was frank discussion, without heat, on subjects on which Tito can be most explosive. Deputy Foreign Minister Prica, who served as interpreter, was enthusiastic during brief talk I had with him after leaving Tito's office.

Department pass Moscow. Sent Department 789, repeated info Athens 64, Rome 104, Vienna 88, Trieste 53, London 96, Paris 157, Moscow 110.

ALLEN

668.81/6–2450 : Telegram

The Secretary of State to the Embassy in Greece [1]

SECRET WASHINGTON, June 24, 1950—4 p. m.

1268. Gouras called upon Dept June 22 leaving long memorandum [2] restating Grk Govt attitude on current status Grk-Yugo relations. Memo contained substantially no points not already reported by you from Athens.

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[1] Repeated to Belgrade as telegram 500.
[2] Not printed.

Dept concerned lest by reacting too violently Grk Govt finds itself in awkward position in which, for internal Grk political reasons, it wld be difficult if not impossible reestablish normal relationships without assurances or revocations by Yugo Govt which Yugo Govt unlikely to make. In particular, Dept concerned Shehovitch might leave Athens in pique if not given opportunity present credentials very shortly.

Dept has noted recommendation Deptel 1507[3] that we take no further action at this time. However, in light Belgrade's 789 repeated Athens as 64[4] and 790 repeated Athens as 65[5] we believe we have basis further reassurances to Grk Govt and that therefore we might urge again at least prompt action by King in receiving Shehovitch's credentials.

Suggest you advise Grk FonOff soonest Emb Belgrade has recently received authoritative indications of Yugo attitude which confirm position taken by US officials with Grks both in Athens and Washington: that problem basically internal Yugo political question resulting necessity Tito position re vulnerable Yugo Macedonian population be not prejudiced by Bulgarian-Cominform propaganda competition; and that no territorial claims involved. Grks might be reminded Slav Macedonians in Yugo, especially many thousands formerly resident in Grk Macedonia, might be particularly susceptible to Cominform propaganda line advocating autonomous Macedonia. Summary Tito's remarks re Grk children shld tend make more palatable renewed US suggestion re Grk-Yugo relations.

Dept prefers any statements be attributed "high Yugo official", not directly to Tito.

Pls inform FonOff that on basis foregoing and after careful consideration Grk memo left by Gouras (to which Dept will reply separately) it is considered opinion of Dept that it is in best interest Grk Govt to proceed in reestablishing Grk-Yugo relations and that in any event it is of great importance Shehovitch be received promptly.[6]

ACHESON

[3] The reference here is to telegram 1507, June 22, from Athens, not printed.

[4] *Supra.*

[5] Not printed, but see footnote 1, *supra.*

[6] Telegram 1548, June 26, from Athens, not printed, reported that the Greek Foreign Ministry had been advised informally of the contents of the telegram printed here despite the fact that the situation had changed drastically with the departure of Yugoslav Chargé Šehović for Belgrade. Few persons believed that Šehović would return in the near future. It had also been learned that the departure of Greek Ambassador-Designate Pappas had been postponed indefinitely (668.81/6–2650). In his telegram 814, June 27, from Belgrade, not printed, Ambassador Allen reported having been informed by Yugoslav Deputy Foreign Minister Prica that Chargé Šehović would not return to Athens until the Greek Government made some new move. Prica felt the situation had reached a stalemate (668.81/6–2750). Telegram 1571, June 28, from Athens, not printed, reported information from Yugoslav officials in Greece indicating that the movement in the normalization of Yugoslav-Greek relations had reached a stalemate which would probably continue for several months (668.81/6–2850).

500–421—80——91

668.81/6-2650 : Telegram

The Secretary of State to the Embassy in Yugoslavia

SECRET PRIORITY WASHINGTON, June 26, 1950—11 p. m.

507. During conversations with Amb Popovic today, we took occasion to express concern that Yugo, by publicly raising question of Slav-speaking Macedonians at this juncture, was raising serious obstacle to establishment normal relations with Greece, which Yugo Govt had itself declared to be desirable as soon as Plastiras had assumed power. We stated we had no desire comment on merits of question but our concern in this connection was to assist Yugo in maintaining its independence. We considered important factor in attaining this objective is normalization of Yugo's relations with her western neighbors, which might be of great importance in time of emergency. We wld consider it most unfortunate if settlement of difficult and delicate minority problem shld be posed as condition for normalization Yugo-Grk relations.

Amb Popovic referred to recent Cominform activity on subject Macedonian minority, asserted Bulgs for instance wld take more intransigent attitude than Yugos and felt Grks wld be acting in their own interest to make some provision for Slav-speaking minority. We recognized force these considerations but pointed out mutually satisfactory settlement this issue is long-term problem. We expressed hope Yugo might feel free to proceed with establishment dipl relations with Greece, after which this and other outstanding issues could of course be negotiated.

In view fact Yugo-Grk *rapprochement* may well break down unless this issue can be put aside for present, you are requested take early opportunity to reiterate these considerations to ranking Yugo officials. Rpt to Athens as 1283.

ACHESON

768.5/6–1250 : Telegram

The Secretary of State to the Embassy in Yugoslavia

TOP SECRET WASHINGTON, June 28, 1950—6 p. m.

516. Embtel 738, June 12.[1] Dept approves idea Defense Dept and Service Atts Belgrade that it wld be desirable increase latters' contacts with appropriate Yugo mil auths to extent that such can be accomplished without direct approach to Tito. However, such contacts at this stage shld not extend to advance planning for material assistance to Yugo. Although State and Defense Depts have been engaged, on basis para 27*a* NSC 18/4,[2] in study Yugo mil requirements and possibility US and other western assistance in mil supplies in event Sov aggression against Yugo, there has been no intention inform Yugos of this planning or of approaching them at this stage to obtain info on status their armament.

In view absence indication Sovs prepared attack Yugos in near future, Dept has not considered it necessary give Yugos any assurances on provision of mil supplies. Yugos have not asked for such supplies, and we believe best course for time being is not to take initiative to raise subj with them either on dipl or technical mil level.

US Govt is, however, discussing question possible mil aid to Tito with Brit and Fr, fol their agreement with gen policy line of NSC 18/4. Three govts will work out, on basis info available to them, estimates of what materiel might be supplied Yugo in case emergency. Emb will be kept informed progress these talks.

In event threat of aggression shld become more imminent and Yugos shld specifically request mil supplies, new situation wld arise which might call for exchange of info on subj between Yugo and US mil reps, but existing situation does not warrant this step.

For urinfo Cong opinion at this time, judging from statements made in closed hearings on MDAP Bill,[3] seems opposed to any decision by US Govt in advance of emergency to extend mil assistance Yugo. While NSC 18/4 represents decision by Exec Branch to furnish arms

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[1] Not printed. In it Ambassador Allen reported having been informed by the service attachés in Belgrade that Department of Defense planning for military material assistance to Yugoslavia in the event of a Cominform attack was being hampered by the lack of positive knowledge regarding Yugoslavia's current armed status. American service authorities suggested that the appropriate Yugoslav authorities be approached in an effort to establish such increased contacts. Ambassador Allen felt that the only effective approach would be to Marshal Tito directly, and such an approach would doubtless lead to a discussion of military assistance. Allen did not believe that there should be any American initiative in the matter of military assistance to Yugoslavia unless a firm decision had been made to render such assistance. Even were such a decision made, it would be preferable to wait for the Yugoslavs to make the first approach (768.5/6–1250).

[2] For the text of NSC 18/4, see p. 1341.

[3] For documentation on the military assistance legislation under reference here, see vol. I, pp. 126 ff.

to Tito if requested "to the degree practicable under the conditions then prevailing and in any event within the limit of maintaining US ability to implement emergency war plans", temper of Cong wld of course be important and perhaps crucial factor in equation.

Defense Dept concurs in this tel.

ACHESON

768.5 MAP/7–1250 : Telegram

The Secretary of State to the Embassy in the United Kingdom[1]

TOP SECRET WASHINGTON, July 12, 1950—6 p. m.

186. Fol is summary substance of similar *Aides-Mémoire* presented Jul 10 to Brit and Fr Embs Wash[2] on joint planning of mil assistance to be rendered Yugo in eventuality envisaged NSC 18/4, para 27*b*.

Begin summary US Govt has studied with interest Fr comments recd Feb 23[3] and Brit comments recd May 2[4] in reply US *Aide-Mémoire* re mil assistance to Yugo in certain contingencies and notes pleasurably similarity US, Fr and Brit approach. For info ur govt there is attached US mil staff study analysis and estimate Yugo mil situation.[5]

US Govt agrees deliveries equipment to NAP[6] countries shld have top priority, but as there is agreement polit and strategic considerations may warrant acceding to a Yugo request for mil aid there shld be on receipt such request tripartite discussions to determine scope and nature mil supplies which shld be made available.

Fol to Brit only:

US Govt notes Brit study recd under cover Brit comments is in accord US mil staff study referred to above.

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[1] This telegram was repeated to Belgrade as 26 and to Paris as 171.

[2] Neither printed; filed separately under 768.00/7–1050.

[3] See telegram 579, February 6, from Paris, p. 1363.

[4] See the memorandum of conversation by Campbell, May 2, p. 1410, and telegram 2074, May 4, to London, p. 1412.

[5] The undated, 18-page, Department of State–Department of Defense staff study under reference here, not printed, presented tentative estimates of the probable Yugoslav requirements for military supplies under each of the possible courses of Soviet action discussed in document NSC 18/4, November 17, 1949, and the extent and manner by which such supplies could best be made available to Yugoslavia. The study concluded that should Yugoslavia request military aid from the Western powers, the United States in conjunction with other Western powers could provide and deliver sufficient supplies to maintain current Yugoslav military strength and equipment at a level sufficient to resist all but a Soviet attack. However, in the case of an all-out Soviet attack only enough supplies could be provided and delivered as would provide for a defense of the mountainous region of Southwest Yugoslavia (S/ISA Files, Lot 52–19, Policy–12.272–NSC–Yugoslavia). The S/ISA files contain records of the Office of the Director, International Security Affairs, Department of State, covering the years 1949–1951. They form a part of FRC Acc. No. 62 A 613.

[6] North Atlantic Pact.

Re Brit suggestion for joint mission to Yugo to study Yugo requirements before any aid is advanced, US Govt of view that while final recommendations for aid to Yugo shld be by qualified technical personnel regular service atts at Belgrade of participating countries wld be preferable channel for submission interim data to Govts concerned. *End to Brit only.*

In view present positions Brit, Fr and US Govts, US Govt suggests advantageous for small group Brit, Fr and US officials meet immed in Wash at technical working level at intervals whenever one participant considers changing circumstances warrant, to discuss present views of their govts and coordinate their planning in event future determination that YuGovt shld be accorded certain mil assistance. Further suggested this group cld be composed of several officials from US Depts State and Defense and that Brit and Fr Govts might designate several counterpart officials from among their respective Wash missions.

Similar communication as well as copy US mil staff study referred to above being addressed Brit (Fr) Emb Wash. *End summary.*

ACHESON

868.10/7–1250 : Telegram

The Secretary of State to the Embassy in the United Kingdom [1]

SECRET PRIORITY WASHINGTON, July 14, 1950—8 p. m.

249. Frankfort, 281 July 12, rptd London July 14 as 2332.[2] Re proposed Ger credit to Yugo joint US–UK–Fr policy of supporting Yugo agreed on at Washington mtg FonMins, Sept 14–15, 1949; [3] reaffirmed November '49 FonMins' mtg (Paris, 4716, Nov 11 [4]) and May '50 FonMins' mtg (London, Secto 230, May 11 [5]).

In line with this policy, Secy informed Yugo Amb, June 19, that US Govt wld render any assistance possible in facilitating current negots with West Ger Govt for trade credit.[6]

Background of credit as fols: Yugo Trade Min approached Ger Min Economy, Erhardt, Apr for credit. Erhardt committed Gers by letter to unspecified credit. Yugos have been asking $80–100 million for purchase capital goods during next two yrs, repayable in commodi-

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[1] This telegram was repeated to Belgrade as 36, to Paris as 253, and to Frankfort as 331.

[2] Not printed; it reported that the British and French were adamant in their disapproval of the extension of German Federal credit to Yugoslavia (868.10/7–1250).

[3] For the texts of Secretary of State Acheson's memoranda of his conversations with Bevin and Schuman in Washington on September 14 and 15, 1949, on Yugoslavia, see *Foreign Relations*, 1949, vol. v, pp. 955 and 957, respectively.

[4] For the relevant portion of the message under reference here, see *ibid.*, p. 977.

[5] Regarding the message and meetings under reference here, see the editorial note, p. 1415.

[6] See the Secretary of State's memorandum of conversation of June 19, p. 1421.

ties, 1952–57. Gers thinking of $20–25 million repayable 3–5 yrs starting 1952.

Dept officer informed by HICOG officials that British and Fr reps HICOG are opposing credit, former on specific instrs FonOff. Further, strong indications that British attempting preserve Yugo market themselves and trying direct Ger exports toward Sov bloc in order avoid Ger competition Western markets. Brit Amb Belgrade also expressed disapproval Ger credit.[7]

While Dept realizes there are certain features Ger credit which must be carefully worker out, nevertheless British must be aware contradictions between present position and their responsibilities in common Yugo, East-West trade, and occupation policies. While this credit, as means indirect US support to Yugo, is of greatest importance in minimizing further US financial assistance, it will cost Brit (and Fr) nothing. If latter countries are interested Yugo market we are quite willing they extend Yugo whatever credits necessary to maintain this market.

Request you make high level approach along above lines soonest. Similar instrs will be sent Paris later.[8]

ACHESON

[7] In his telegram 57, July 18, from Belgrade, not printed, Ambassador Allen expressed the view that both the British and the French appeared to be concerned about the possible long-term effects of the development of Federal-Yugoslav trade on their competitive position in Yugoslavia. The French also appeared concerned that the proposed Federal credit might weaken the French bargaining position in financial negotiations with Yugoslavia. Allen hoped that the Department could persuade the British and French to waive their objections to the credit which appeared to be of crucial importance to Yugoslavia (868.10/7–1850).

[8] Telegram 303, July 18, to Paris, not printed, requested the Embassy to approach the French Foreign Ministry at a high level as soon as possible regarding the tripartite Yugoslav policy outlined in the telegram printed here. Strong American support for the proposed Federal credit, as a means of providing Western assistance to Yugoslavia, was to be expressed (868.10/7–1250).

768.00/7–2050 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

SECRET PRIORITY NEW YORK, July 20, 1950—5:05 p. m.

85. Bebler,[1] at his request, called on Gross[2] this morning. Explaining he came on his own initiative, rather than on governmental instructions, to give Gross information, Bebler said he was becoming more and more concerned about possibilities aggression on Yugoslavia. Bebler said there is steadily mounting campaign in USSR and satel-

[1] Aleš Bebler, Yugoslav Permanent Representative at the United Nations.

[2] Ernest A. Gross, United States Deputy Representative at the United Nations.

lites alleging Yugoslavia is preparing aggression on its neighbors in connivance with US. Bebler referred to recent articles in *New York Times* and *Literary Gazette* [3] that hundreds of American officers were training Yugoslav army and that "hundreds of Nazi pilots from Germany were training Yugoslav air fleet." Because of increased Yugoslav fears possibility military moves, Bebler continued, the Yugoslav National Committee for the Defense of Peace adopted resolution on 17 July inviting groups and individuals belonging to "movements for peace" to visit Yugoslavia for purpose of determining first hand whether there are any military bases belonging to foreign powers on Yugoslav territory, and whether Yugoslavia is preparing aggressive operations against neighboring countries. Meeting of Yugoslav National Committee at which foregoing resolution was adopted was addressed by Yugoslav Minister Without Portfolio, Djilas,[4] who categorically denied Yugoslav aggressive intentions. Bebler made clear that although Yugoslav National Committee for Defense of Peace is private organization, its resolution "had a diplomatic purpose."

Bebler said his government attached great importance to inspection of Yugoslavia by persons known in Europe as "not being opposed to USSR." For this reason, Bebler said he was inviting on behalf of his government representatives of Progressive Party, mentioning Wallace [5] and Thomas Emerson.[6] Bebler extending invitation to Wallace at lunch Friday, July 21, and hopes that if Wallace cannot attend he will send a confidante who can be billed as his personal representative.

Gross thanked Bebler for courtesy in informing USUN along foregoing lines and said that he would transmit information to Department. On being pressed for comment, Gross said he felt any comment might be misleading because of difficulty of appraising public and Congressional reaction from this distance.

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[3] The organ of the Administration of the Union of Soviet Writers of the USSR.

[4] In the speech of July 17 under reference here, Milovan Djilas, who was also a member of the Politburo of the Yugoslav Communist Party, suggested that observers come to Yugoslavia to inspect the frontier with Hungary, Romania, and Bulgaria. In a conversation with Mirko Sardelic, Counselor of the Yugoslav Embassy, on July 19, Charles W. Yost, Director of the Office of Eastern European Affairs, indicated the Department of State's favorable response to Djilas' speech, inquired if the Yugoslav Government intended to follow up the speech by inviting various persons to Yugoslavia to inspect the frontier, and noted that the testimony of impartial observers could do much to offset Soviet propaganda concerning alleged Yugoslav border provocations (memorandum of conversation by Michael R. Gannett, July 19: 768.00/7–1950).

[5] Henry A. Wallace, Progressive Party presidential candidate in 1948; Vice President of the United States, 1941–1945; Secretary of Commerce, 1945–1946.

[6] Thomas I. Emerson, Professor of Law at the Yale School of Law; President of the National Lawyer's Guild, 1950–1951.

Commenting upon Nehru's messages to Stalin,[7] Bebler expressed the view that it was unfortunate that Nehru gave Stalin the opportunity to place the issue of Chinese representation in front of the aggression in Korea. Bebler thought Nehru hoped and believed that the Peiping government might "go its own way" and that Nehru realized that the Kremlin would like to see Chinese troops engaged in hostilities with the US. However, Bebler repeated he thought that it had been a mistake to bring in the Chinese representation question. Gross commented merely that the US Government believed that the question of highest priority at the moment was the question of obtaining compliance with the SC resolutions and the halt of aggression in Korea. Bebler expressed complete agreement with this point.

With regard to part of conversation dealing with Yugoslav fears of an attack, Gross avoided any discussion of US attitude or action, saying merely that he would pass information to Department and if any comment was to be made the Department would make it.

AUSTIN

[7] Documentation on the exchange of messages in July 1950 between Indian Prime Minister Pandit Nehru and Marshal Stalin is presented in volume VII.

768.00/7-2050 : Telegram

The Secretary of State to the United States Mission at the United Nations, at New York

CONFIDENTIAL WASHINGTON, July 24, 1950—4 p. m.

54. Impact of UNCOK report on Korean invasion in SC [1] and subsequent benefits to UN action from presence Comm on spot have caused Dept to consider desirability of having similar commissions on duty in event aggression elsewhere. Possibility of aggression on Yugo border indicates desirability for SC to send fact-finding and observation group to area provided Yugo consent obtained.

Suggested Comm wld demonstrate UN determination maintain peace and security. If aggression nevertheless occurs, presence of UN Comm in area cld be of great benefit as already proved in Korean case. UNCOK report on responsibility for attack in first SC mtg June 25 placed issue on different base than if case merely rested on contradictory claims rival groups. This undoubtedly influenced votes uninstructed reps. Communist propaganda subsequently at disadvantage in combatting report of duly constituted UN authority on spot.

[1] The reference here is presumably to cabled report from the United Nations Commission on Korea to the U.N. Secretary-General (U.N. doc. S/1507, dated June 26, 1950) concerning the military situation in Korea. For further documentation, see vol. VII, pp. 125 ff.

Advantageous to UN to be in similar position in event hostilities Yugo area especially in view probable efforts to confuse situation.

In view Bebler's attitude reported urtel 85 July 20 [2] and action Yugo Natl Comite for Defense of Peace, pls consult with UK and Fr dels possibility SC action this matter and, unless they perceive serious objections, raise matter informally with Bebler, referring to Yugo Natl Comite action. Of course, wld be unnecessary that Yugo itself make proposal or even place matter on SC agenda. This might be done by other dels or SYG.

We envision Comm covering entire Cominform frontier of Yugo because of possibility widespread invasion, and further possibility of incident being provoked on frontier of any Cominform state. If SC requests Yugo to accept Comm it shld also make similar request of adjacent Cominform states.

While Yugo situation appears most critical at moment, Dept also considering desirability similar action certain other sensitive spots, including possible SC or GA action to make Commissions available on short notice.

ACHESON

[2] *Supra.*

868.10/7–2150 : Telegram

The Secretary of State to the Embassy in France

SECRET · PRIORITY WASHINGTON, July 24, 1950—7 p. m.

430. 1. Dept attaches greatest polit importance prompt action re Ger credit Yugo in view imperative necessity providing tangible proof to YuGovt of united Western support this critical juncture. Regard prompt Fr and Brit approval Ger credit Yugo as test high-level tripartite policy assistance Tito regime. (Emb London: This applies discussions with Brit as well.)

2. Dept therefore requests you approach Fr at high polit level, emphasizing that initial negative Fr reaction (urtel 410 July 21 [1]) appears inconsistent with Fr own recognition gravity Yugo situation in light possible Sov aggression as stated Schuman *aide-mémoire* (urtel 332 July 18 para No. 5).[2] In view this situation, Fr approval

[1] Not printed. It reported that the Embassy had been informed by the French Foreign Ministry official in charge of German economic affairs that French opposition in the High Commission for Germany to the extension of a German Federal credit to Yugoslavia represented the considered view of the French Foreign Ministry. It was felt that the credit would prepare the ground for the return by Germany to her prewar trading methods (868.10/7–2150).

[2] Regarding Foreign Minister Schuman's July 18 *aide-mémoire*, which reviewed the events in Korea and proposed intergovernmental consideration of other possible acts of aggression around the world, see telegram 332, July 18, vol. VII, p. 423.

Ger credit Yugo appears small price to pay for solidifying Tito resistance to potential Sov aggression and resulting benefit Fr own security. Fr might be reminded that while US and UK have extended substantial credits Yugo pursuant tripartite policy agreement, Fr have not. Fr approval Ger credit Yugo seems least that can be expected under agreed tripartite policy.

3. Fr FonOff Ger econ official's reasoning justifying disapproval Ger credit Yugo (urtel 410) appears reflect anachronistic fear Ger econ-polit penetration S.E. Eur. Ger resumption prewar trading methods or any attempt econ domination Yugo out of question in present context.

4. Re post-1952 Yugo trade and payments situation Dept believes Yugo commitments to Ger of $4–5 million additional yearly exports not unrealistic. (Deptel 4197 June 13 to Frankfort, rptd Paris 2753.[3]) Re further econ aspects Ger credit Yugo, see Dept 394 July 21 to London rptd Paris 382[4] and Deptel rptd Paris 2753. Subject ur discretion you might simultaneously approach Auboyneau, in charge East Eur econ affairs FonOff (urdes 15 July 5[5]).

Rptd London as 430, Frankfort as 557, Belgrade as 67.

ACHESON

[3] Not printed. It stated that from the point of view of (1) helping the Federal Republic find markets in the nonsatellite countries, (2) developing Yugoslav trade relations with Western Europe, (3) minimizing the requests for United States financial assistance from Yugoslavia, the Department of State was inclined to favor a Federal credit to Yugoslavia. Some of the economic aspects of such a credit were evaluated (462A.6831/6–750).

[4] Not printed. The Department of State found unconvincing several economic arguments raised by the British Foreign Office against the Federal credit to Yugoslavia. The British had argued that the swing margin in the existing Federal-Yugoslav trade agreement provided adequate credit and that Yugoslavia was a poor credit risk (868.10/7–1750).

[5] Not printed. It transmitted the text of a memorandum of a conversation between Edward G. Posniak of the Division of Investment and Economic Development of the Department of State and Christian Auboyneau of the Office of Economic, Financial, and Economic Cooperation of the French Foreign Ministry on the status of French-Yugoslav economic and financial negotiations (868.10/7–550).

Editorial Note

On August 10, 1950, the Export-Import Bank of Washington approved a credit of $15 million to Yugoslavia to finance the purchase in the United States of materials, machinery, equipment, and services essential to the Yugoslav economy. Yugoslav Ambassador Popović was informed of the action on August 11, but no statement on the matter was issued to the press. An agreement was signed in Washington on August 31, 1950, between the Yugoslav Government, the National Bank of Yugoslavia, and the Export-Import Bank of Washing-

ton formally establishing the $15 million credit. A copy of that agreement was transmitted to the Embassy in Yugoslavia as an enclosure to instruction 22, October 9, to Belgrade, not printed (868.10/10–950).

S/S–NSC Files : Lot 63 D 351 : NSC 18 Series

Memorandum by the Executive Secretary of the National Security Council (Lay) to the National Security Council

TOP SECRET WASHINGTON, August 17, 1950.

Pursuant to paragraph 28 of NSC 18/4,[1] approved by the President on November 18, 1949, representatives were designated by Council members, the Secretary of the Treasury, the Attorney General, and the Director, Bureau of the Budget to assist in the preparation of a study for Council consideration of the methods by which the United States can make available military assistance to meet emergency needs not provided for in existing legislation.

A recent study prepared by the Department of State [2] in this connection indicates that, with the passage of the amendments to the Mutual Defense Assistance Act of 1949, the President's powers have been considerably broadened with respect to emergency military assistance. (The pertinent section of the Act is reproduced in the enclosure.) The study concludes that, on the basis of these new powers, of authorizations under several old statutes, and of the President's constitutional powers, the President appears to have ample authority to act in emergencies, and that availability of equipment and funds consequently constitutes the remaining problem.[3]

It is therefore suggested, with the concurrence of the senior NSC staff members and the representatives referred to in the first paragraph above, that the directive contained in paragraph 28 of NSC 18/4 be canceled.

Accordingly, it is requested that each Council member, the Secretary of the Treasury, the Attorney General, and the Director, Bureau of the Budget, indicate his action with respect to the suggestion in

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[1] For the text of NSC 18/4, see p. 1341.

[2] The study under reference here has not been further identified.

[3] In a memorandum of October 4 to Ambassador at Large Philip C. Jessup, not printed, Max W. Bishop of the Policy Planning Staff explained that the directive contained in paragraph 28 of NSC 18/4 had been prompted by the problem of finding materials for emergency military assistance to Yugoslavia. It became apparent that the actual problem was the unavailability of supplies rather than the lack of legislative authority. The committee established in pursuance of the directive in paragraph 28 made little progress despite the expenditure of much time and energy to budgetary and executive aspects of the problem, and it was therefore finally decided to drop the project (S/S–NSC Files, Lot 63 D 351, NSC 18 Series).

the preceding paragraph by completing and returning the attached memorandum form.[4]

JAMES S. LAY, JR.

[4] At its meeting on October 2, the National Security Council agreed (Action No. 363) to cancel the directive contained in paragraph 28 of NSC 18/4.

668.81/8–2350 : Telegram

The Ambassador in Yugoslavia (Allen) to the Secretary of State

SECRET BELGRADE, August 23, 1950—noon.

161. Department's 130, August 18, received August 22.[1] In long conversation with Mates latter gave every indication of genuine desire to improve Greek-Yugoslav relations, which he is handling personally. He referred to keen Yugoslav disappointment that matter had again been interrupted by Plastiras resignation just when progress seemed likely.

Mates said that although Yugoslav Government considered Macedonian question existed while Greek Government did not, Yugoslavs were entirely willing to put this aspect aside, resting on contrary points of view already expressed by each government and proceeding with matters on which progress could be made. Yugoslavs would like to exchange ministers but did not wish to risk another rebuff. If Greeks were not ready to receive Sehovic credentials, he hoped they would at least proceed on other matters such as appointment of Greek-Yugoslav commissions to consider resumption post and railway communications, grant visas for Yugoslav representation to visit Salonika free port, or respond to Yugoslav offer on repatriation of children. Mates commented that Cominform alone benefitted from continued Greek-Yugoslav difficulties.

While I am fully appreciative of Greek annoyance over Yugoslav position on Macedonia, over-riding considerations make improvement Greek-Yugoslav relations imperative from every point of view. If Cominform should attack either Greece or Yugoslavia, absence of even telegraphic communications between these two neighboring

[1] Not printed. In August 1950 British diplomatic representatives in Belgrade and Athens undertook to foster the resumption of negotiations between Greece and Yugoslavia for the normalization of their relations. The British efforts ceased following the resignation of the Plastiras cabinet in Greece on August 18. In the telegram under reference here the Department of State took interested note of the British efforts. The Department remained of the opinion, however, that neither Yugoslavia nor Greece was currently ready to take the necessary steps to improve their relations. In particular Yugoslavia continued to emphasize its so-called neutral position in the East-West conflict in order to avoid giving credence to Cominform allegations that Yugoslavia had aligned itself with the West. The Department therefore felt it to be inopportune at least for the United States to continue to encourage either the Yugoslav or the Greek Government to improve relations (641.68/8–150).

countries would be tragic. I am convinced Yugoslavs wish to improve relations with Greece, and failure to accomplish this while Plastiras was in office was contrary to our national interests. I believe we should make every effort now to foster improvement in both general and in specific matters. Yugoslavia desire to maintain neutral position in east-west conflict will not prevent Yugoslavia from going along. Moreover, I venture suggest we should not encourage such attitude by Yugoslavia even if it existed.

I believe we should avoid being involved directly in assurances by either Greek or Yugoslav Government and think British activity has tended somewhat too far in that direction but I welcome British initiative in attempting to achieve results.

Foregoing considerations apply with equal force to Yugoslav-Italian relations. I think we should constantly encourage both governments to reach settlement of Trieste and other outstanding questions. Yugoslavia and all her non-Cominform neighbors are under same threat from east. Need for improved relations to coordinate opposition to this threat far outweighs petty national prestige issues. Balkan politics as usual is criminal under present circumstances.

Sent Department 161, repeated info Athens 14, Paris 15, Rome 10, London 10, Trieste 13.

ALLEN

S/S–NSC Files : Lot 63 D 351 : NSC 18 Series

Memorandum by the Joint Chiefs of Staff to the Secretary of Defense (Johnson)[1]

TOP SECRET WASHINGTON, 23 August 1950.

Subject: United States Policy Towards Yugoslavia and the Furnishing of Military Assistance to Yugoslavia in Case of Aggression.

1. The Joint Chiefs of Staff have restudied the matter of the military steps which might be taken to implement United States policy as set forth in NSC 18/4[2] toward a conflict between Yugoslavia and the USSR or its satellites.

. . . . . .

. . . Accordingly, the Joint Chiefs of Staff believe that the United States should plan for and take all possible steps now which would enable it promptly to furnish military equipment to Tito in case of

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[1] National Security Council Executive Secretary James S. Lay, Jr., circulated this memorandum for the information of the Council on September 5, 1950, at the request of Secretary of Defense Louis Johnson. It was also referred to the NSC Staff for use in connection with review of NSC 18/4 (see footnote 2, below). Secretary Johnson stated that he concurred in the recommendations contained in paragraph 11 of this memorandum.

[2] For text of NSC 18/4, November 17, 1949, "United States Policy Toward the Conflict Between the USSR and Yugoslavia," see p. 1341.

aggression. The Department of State should ensure that Tito learns of this policy.

5. It is in the military interest of the United States now . . . that a military assistance program be planned for Yugoslavia and that funds be provided for this purpose. Although Yugoslavia could now be provided military aid in an emergency, it would have to be at the expense of other presently approved and urgently needed programs. A preliminary estimate of the funds to be provided should be based on the intelligence data in the memorandum forwarded to the Secretary of Defense on 16 February 1950 [3] until more specific information is received from Yugoslavia. . . . In any event, specific lists of Yugoslav military requirements and the ability of the United States to meet them should be correlated at the earliest practicable date.

6. Another step which, from the military point of view, should be taken to implement United States policy toward Yugoslavia would be the stockpiling of necessary materiel. It would be preferable for this materiel to be stored in Trieste, in North Africa, in some non-communist country in Europe, or in the United States for transfer when an evaluation of the situation warrants. . . . [T]he criteria should be that the materiel must be reasonably secure from enemy capture and should be furnished promptly in the event that Yugoslavia resists invasion.

7. It is not wholly realistic for the Joint Chiefs of Staff to make recommendations regarding implementation of a military assistance program for Yugoslavia before the program is agreed to and specific lists of Yugoslavia's military requirements in accordance therewith have been received, screened, and correlated with availability lists and production schedules of the Western Powers. Any substantial aid in the form of U.S. supplies and equipment must come from U.S. military stocks, already in short supply; approved MDAP country-programs currently behind schedule; or new procurement; the latter necessitating a delay of from 12 to 24 months. It may be necessary to limit military assistance to Yugoslavia to such materiel as land mines, demolition supplies, ammunition, motor vehicles, signal equipment, and medical supplies. On the other hand, if decision should be made to furnish Yugoslavia more complicated equipment, the Yugoslavs would not, in all probability, be familiar with the use and care of such equipment. In such event, the materiel would be of comparatively little value until appropriate training had been given. . . .

8. It is understood that the Department of State has presented *aide-mémoire* to the Governments of the United Kingdom and France, summarizing the major conclusions of NSC 18/4,[4] in an effort to co-

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[3] The document under reference here is not further identified.

[4] See telegram 179, January 13, to Paris, p. 1353.

ordinate United States policies and programs with those of the British and the French and to ascertain what military assistance, if any, these nations might be able to furnish Yugoslavia. It is further understood that the British and French have replied to the United States *aide-mémoire*,[5] and as a result, the Department of State has suggested that a small group of British, French, and American technical experts meet in Washington to coordinate planning in the event it is agreed that the Yugoslavs should, in the future, be accorded certain military aid.[6] From the United States military point of view, it is important that the policies and programs of the United States, the United Kingdom, and France with respect to a military aid program for Yugoslavia be coordinated without delay.

9. The Joint Chiefs of Staff are of the opinion that it would not be appropriate at the present time to seek additional funds which may be expended to implement the policy with respect to a satellite attack on Yugoslavia. However, draft bills should be prepared in advance for submission to the Congress in order to obtain necessary additional funds, including the recapture of the Department of Defense funds which may be expended to implement our policy with respect to Yugoslavia.

10. The Joint Chiefs of Staff are of the opinion that the current United States over-all policy of providing military aid to Yugoslavia, short of actual participation by United States military forces in the event of Soviet aggression, should be continued in effect.

11. In view of the foregoing, the Joint Chiefs of Staff recommend that the Secretary of Defense obtain approval in the National Security Council of the following actions:

a. That the United States Government insure that any political action taken in the United Nations with respect to an attack on Yugoslavia does not set up an irrevocable commitment for the employment of United States military forces in Yugoslavia without preserving the right of decision in this matter in the light of the situation existing at the time;

b. . . .

c. That in order to permit refinement of planning for a military assistance program for Yugoslavia on both grant and payment bases, these plans be coordinated at the earliest practicable date with the plans of the U.K. and France. When political considerations permit the Department of State should secure from Tito lists of military equipment required; and

d. That since an attack by the USSR or its satellites upon Yugoslavia is a continuing possibility and such attack may well meet with success, our Balkan plans and policies should be reviewed and revised

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[5] See footnote 4, p. 1354; the memorandum of conversation by Campbell, May 2, p. 1410; and telegram 2074, May 4, to London, p. 1412.

[6] See telegram 186, July 12, to London, p. 1432.

to include steps which should be taken to meet this contingency. Specifically, our policies with respect to nearby countries should be reviewed in the light of this possible development, with consideration to the following:

Greece—The security of this country would be in even greater jeopardy if its entire northern border were manned by units responsive to the Kremlin.

Albania—The link-up of this isolated Soviet satellite would create a new situation in the Adriatic and eastern Mediterranean.

Italy—The presence of Kremlin-dominated units on Italian borders and on the eastern shore of the Adriatic would materially increase the Communist threat of internal and external aggression, and would immediately raise the question of lifting the Treaty limitations on the Italian Armed Forces.

Trieste—The advisability of the planning for the taking over of the Territory of Trieste (to include Zone B) should be investigated.

Austria—This threat to the security of the western Zones would require a re-evaluation of our policy.

For the Joint Chiefs of Staff:
OMAR N. BRADLEY
Chairman
Joint Chiefs of Staff

Editorial Note

At the meeting of the National Security Council on June 28, 1950, President Truman requested the Council to resurvey all American policies affecting the entire perimeter of the USSR. This resurvey, entitled "Estimate of Possible Further Soviet Moves in the Light of the Korean Situation and Their Effect on the Position of the US," underwent several revisions. As finally approved by the National Security Council at its meeting on August 24, the paper was designated NSC 73/4, August 25 and was referred to the Council staff for continuing study and recommendations. Paragraph 37 of NSC 73/4 recommended that in the event of overt attack by organized Soviet military forces or Soviet-inspired satellite aggression against Yugoslavia, the United States should implement existing policy as set forth in NSC 18/4, November 17, 1949, pending a review of that policy, with the purpose of denying to the USSR effective control of the country. The text of NSC 73/4 and other documentation on the origin and development of the paper are printed in volume I, pages 126 ff.

868.10/9-550

Memorandum of Conversation, by the Director of the Office of Eastern European Affairs (Yost)

SECRET [WASHINGTON,] September 5, 1950.

Participants: The Secretary
Mr. Vladimir Popovic, Yugoslav Ambassador
Mr. Bruner, Interpreter
Mr. Charles W. Yost, Director, Office of Eastern European Affairs

The Ambassador called at his request to speak to me about several matters before his forthcoming departure for Belgrade, where he intends to spend a few days during the visit of Mr. Black of the International Bank.

The Ambassador declared that before departing for Belgrade he wished to obtain the Secretary's views as to the extent to which the US Government would be able to assist in meeting the economic needs of Yugoslavia.[1] The Ambassador said that his Government found it impossible to make plans for the future without having a clearer idea of the aid which might be forthcoming. A request for a loan of $25,000,000 had been before the International Bank for a full year and no action had yet been taken. A program for aid in dollars of $100,000,000, of which $30,000,000 had been requested immediately from the Eximbank and $25,000,000 from the International Bank and the balance of which would be requested later, had been presented to the State Department and the Eximbank. The only results which had been obtained had been the recent $15,000,000 loan by the Eximbank.

I replied by pointing out that the International Bank is, of course, not a US institution. I had, however, discussed the question with Mr. Black and Mr. Black had informed me that the Yugoslav Government had not supplied all the information necessary for the bank to give favorable consideration to its request.[2] I asked Mr. Yost to explain the status of the remaining Yugoslav requests.

Mr. Yost pointed out that the Yugoslav Government itself preferred that any aid extended to it by the US be in the form of loans, and not grants, and that the US authorities making international loans are obliged to consider an applicant's capacity to repay. He said that it is

[1] Ambassador Popović had earlier reviewed various aspects of the question of economic assistance to Yugoslavia in conversations with Assistant Secretary of State Perkins on August 15 (memorandum of conversation by Tuckerman: 868.10/8-1550) and with Yost and other Department officers on August 21 (memorandum of conversation by Posniak, August 21: 868.00/8-2150).

[2] In his conversation with Yost on August 21 (see footnote 1, above), Popović said that he understood that IBRD President Black had spoken with Secretary of State Acheson and Secretary of the Treasury Snyder who were in agreement with the idea of a series of IBRD loans to Yugoslavia.

his understanding that the Eximbank has considered that, before extending further loans over and above the $55,000,000 approved during the last year, they must have evidence that the Yugoslav export industries have been developed beyond their present capacity to a point warranting the bank in the belief that further loans can be serviced. Mr. Yost added that he was sure that the Eximbank has given the most sympathetic consideration to the Yugoslav request but that it does not feel able to justify further loans at this time on the basis of the facts known to it and under the requirements of its Charter.

The Ambassador declared that his Government had furnished all of the information requested by the two banks during recent months and maintained that the presentation to the banks had fully justified the Yugoslav need for $100,000,000 in order to meet the demands of its five-year plan. He said that he would find it very difficult to explain to his Government the failure of the banks to be of greater assistance than they had been. The Ambassador added that his Government is also eager to obtain our assistance in securing further credits from other European countries, such as Germany, Italy and France.

I replied that we are supporting these Yugoslav requests. As far as the International Bank is concerned, I urged the Yugoslav Government, regardless of whether or not it may consider the information in question necessary, to supply all the information which the bank has requested. I said that I believed such action would enable the bank to proceed rapidly to the consideration of Yugoslav requests. As to the question of additional aid to Yugoslavia from the US Government, I said that I would consult with Mr. Thorp and Mr. Yost and speak with the Ambassador again when we had more time. The Ambassador left the subject with obvious reluctance.

The Ambassador then inquired what the US Government's attitude was toward the Yugoslav proposal in regard to rights and duties of states which it had introduced in the last General Assembly and proposed to bring up again in the forthcoming Assembly. I said that I was not acquainted with this matter but would look into it also and would speak with the Ambassador at a later date.[3]

[Charles W. Yost]

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[3] For documentation on the Yugoslav proposal under reference here, see vol. II, pp. 416 ff.

462A.6831/9-650 : Telegram

The Secretary of State to the Embassy in France

SECRET PRIORITY WASHINGTON, September 6, 1950—5 p.m.
NIACT

1146. Brit Emb informed Dept Sept 5 UK will not veto Ger credit Yugo even up to $65 mil, but wld like Allies point out Ger that credit wld be "economically unsound". Urtel niact 1112 Sept 1.[1] Dept strongly disagrees latter proposal position remains to press urgently tripartite approval Ger credit $30 mil only now, with possibility reexamining Yugo need additional Ger credits later date. Dept today approached Fr Emb and expressed hope Fr will agree to $30 mil credit now, stating matter wld be raised Fon Min mtg[2] if unresolved. Request you so inform FonOff immed.

Rptd London as 1215, Frankfort as 1808, Belgrade as 163.

ACHESON

[1] Not printed. It reported that numerous representations to the French Foreign Ministry over a number of weeks had been unfruitful due apparently to a lack of an agreed French position. On September 1 the Foreign Ministry finally informed the Embassy that the French Government was prepared to agree to a small Federal loan to Yugoslavia in the neighborhood of $10 million (462A.6831/9-150).

[2] The reference here is to the meetings of the American-British-French Foreign Ministers at New York, September 12–18, 1950; see the editorial note, *infra*.

Editorial Note

Secretary of State Acheson met in conference with British Foreign Secretary Bevin and French Foreign Minister Schuman in New York, September 12–18, 1950, to consider a variety of problems of common concern. At their session on September 18, they reached general agreement on the question of economic assistance to Yugoslavia, including conclusion of the proposed $30 million Federal credit to Yugoslavia and the support for the Yugoslav request for a loan from the International Bank for Reconstruction and Development. For the record of this meeting, see volume III, page 1234. For additional documentation bearing on the question of economic assistance to Yugoslavia, see *ibid.*, pages 828 ff.

398.14/9-1950 : Telegram

The Ambassador in Yugoslavia (Allen) to the Secretary of State

SECRET BELGRADE, September 19, 1950—3 p. m.

259. I spent last evening in long discussion with Black and Rosen, International Bank, at their request, concerning Yugoslav loan application.[1] Black made clear to me his strong opposition to loan, due basically to his conviction that only feasible means of keeping Tito afloat is through grants along ECA lines rather than additional dollar loans, which he does not believe Yugoslavia could repay without drastic reduction in heavy industrialization program. Black said Velebit's [2] characterization of Yugoslav program of $300 million capital investment program as "irreducible minimum" made it practically impossible for bank to grant loan since bank must insist upon "collaboration" between bank and Yugoslav Government on size of Yugoslav investment program. (Black rejected my remark that bank seemed to demand veto over program. He preferred to say that bank and Yugoslav Government must "work program out together" if loan materialized.)

Rosen, who spent two weeks here last year, is firm in belief that Yugoslav Government worse off now than then despite their $55 million credits extended by Export Import Bank. He claims Yugoslavia is running $100 million annual payments deficit and that additional dollar loans would do more harm than good. He believes only solution is either sizeable grants from Congress or immediate shift from long-range heavy industry program to manufacture of consumer goods as incentive for Yugoslav workers to increase production.

While foregoing were basic arguments, Black also said Yugoslavs must decide whether International Bank or Export Import Bank are to be their bankers. He added that as long as Ambassador Popovic maintained attitude that International Bank was obligated to extend credit and that some of bank's demands were irrelevant, no progress could be made. He says Yugoslavs had been fully cooperative with bank investigators until Popovic entered picture few months ago.

I pointed out that question of International Bank loan had become important matter of prestige for Yugoslav Government both internally and externally. While I heartily welcomed his visit to Yugoslavia, I believed adverse political as well as economic reaction to refusal now would be much more pointed and severe than before. I recognize difficulties of dealing with regime such as this but thought international

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[1] Eugene R. Black, President of the International Bank for Reconstruction and Development, accompanied by Bank Loan Director William A. B. Iliff and Martin Rosen, arrived in Belgrade on September 18 for a visit.

[2] Maj. Gen. Vladimir Velebit, Yugoslav Deputy Minister for Foreign Trade.

character of bank would be admirably demonstrated if its portfolio included loans to members states from left to right, thus belying Moscow allegations that bank was tool of Wall Street. I referred to unfortunate publicity regarding this loan during past year, Yugoslavs had been led to believe loan had been approved. Black replied that Yugoslavs themselves were responsible for statement last November that loan had been approved in principle.

As regards grant, I pointed out that it was by no means certain that Tito would request or accept a grant and that he would hardly do so in any form which implied Yugoslav assimilation to Marshall Plan bloc. Black said Tito might have to make some disagreeable but unavoidable decisions and wondered whether direct US grants of food and military supplies might not be made palatable. I said talk of grant was probably academic since Congress was hardly in mood to make grant to Yugoslavia at present. Black expressed personal view, as American, that if Congress would not approve such assistance, continued loans through Export Import Bank were improper unless Congress indicated its concurrence.

As regards Yugoslav choice of International Bank as their banker, I said if we adopted this suggestion and International Bank loans failed to materialize, Yugoslavia might well fall under Cominform domination again. Moreover, Export Import Bank was able to grant medium term loans quickly whereas International Bank was not.

Discussion was friendly throughout, but inconclusive. Tito has insisted that Black talk to him before anyone else and is seeing him today.[3]

Yugoslavs have come to put so much stock in International Bank loan that failure now might mean their withdrawal from bank and would certainly lessen their support of UN in general. Their disillusionment with UN would furnish excellent material for anti-UN propaganda among Cominform states.

ALLEN

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[3] For Black's account of his various conversations with Marshal Tito during his visit to Belgrade, see Campbell's memorandum of conversation, October 10. p. 1464.

868.03/9–750 : Telegram

The Acting Secretary of State to the Embassy in Yugoslavia

SECRET WASHINGTON, September 20, 1950—6 p. m.

190. Embtel 211 Sept 7.[1] Principles approved by NAC to guide US Exec Director on [International Monetary] Fund in considering applications for Fund drawing include:

(*a*) in order conserve resources of Fund, country drawing shld demonstrate ability repay Fund within relatively short period time (any doubts this connection shld be resolved in favor Fund rather than in favor applicant),

(*b*) a country which finds it necessary ration its dol resources through exchange restrictions on current transactions is to be considered prima facie suffering from fundamental disequilibrium; the US Director therefore wld not support a drawing by country exercising such controls except under fol conditions:

1. A specific determination by Fund that circumstances giving rise to proposed drawing are in fact due to temporary rather than fundamental disequilibrium.
2. A specific determination that proposed drawing cannot primarily be attributed directly or indirectly to requirements engendered by rehabilitation or development programs.

Our views re application above criteria Yugo are as fols: Re (*a*): Prospective insufficiency dol earnings: (1) raises serious doubt Yugo ability repay new dol obligation after reasonable interval, without incurring additional dol obligations; (2) has already required accommodation by Eximbank, in form of deferment to 1954 of start of principal repayments on second and third Eximbank loans.

Re (*b*) 1. Yugo appears face prospect persistent current account deficit, due failure provide necessary minimum living standard from output home consumption goods, plus importation such goods with fon earnings. As we see it this failure chiefly result excessive utilization domestic resources and external loans for heavy industrial development, at expense production and import e.g., of agricultural equipment other goods for exchange with village. Effect of this wld appear share directly with drought as cause of magnitude food shortage the circumstance giving rise to drawing application. Data submitted by Yugos aimed establish balance current acct non-dol and dol area 1950 not convincing. All signs available here to date point to Yugovt insistence on maintenance usage total resources in manner likely to prolong fon trade deficit. These considerations lead to con-

[1] Not printed. In it Ambassador Allen reviewed the drastic food shortages resulting from the Yugoslav drought. He urged the reexamination of every feasible means of affording assistance to Yugoslavia through existing national and international agencies, including the International Monetary Fund (868.03/9–750).

clusion Yugo in situation of fundamental disequilibrium in sense of Fund Articles.

Re (*b*) 2. Although objective Yugo capital development program is ultimate equilibrium at higher level, as indicated urtel, do not consider it appropriate promote such objective with IMF resources. According NAC principles, IMF resources shld be made available for certain types balance of payments assistance, excluding assistance required directly or indirectly for rehabilitation or development programs. While fully recognizing urgent nature Yugovt needs, we feel present needs cannot be appropriately satisfied through drawing on IMF.[2]

WEBB

[2] In his telegram 307, September 30, from Belgrade, not printed, Ambassador Allen responded to this telegram. Allen urged that the American position on the matter of Yugoslav withdrawals from the International Monetary Fund be seriously and urgently reviewed in the light of current economic and political realities and that some measure of flexibility be introduced without abandoning all restraints on fund drawings. He emphasized that the critical shortage of food and feed in Yugoslavia had created a serious temporary foreign exchange disequilibrium. Allen warned that for both psychological and practical reasons it was highly important for the Yugoslav Government to be able to reassure the population without delay that famine conditions definitely would be averted. He recommended that Yugoslav withdrawals from the International Monetary Fund would provide a quick source for a portion of the funds needed to assure purchase and shipment of minimum food needs to be distributed and stored in Yugoslavia before winter weather gripped the inadequate and overburdened transportation system (868.03/9–3050).

768.5/7–2850

Memorandum by the Assistant Secretary of State for European Affairs (Perkins) to the Deputy Under Secretary of State (Matthews)[1]

TOP SECRET [WASHINGTON,] September 25, 1950.

Reference is made to your memorandum of July 28[2] requesting an estimate of (1) Yugoslavia's ability to defend itself against an attack by one or more of the Soviet satellites, and (2) what assistance should be given Yugoslavia in case of such an attack. The first point was covered in EUR's memorandum to you of September 12, 1950.[3]

[1] This memorandum was drafted by John C. Campbell, the Officer in Charge of Balkan Affairs.

[2] Not printed.

[3] The memorandum under reference here, not printed, was based in large part upon an earlier study prepared by the Intelligence Division of the Army General Staff. The memorandum presented the following conclusions:

"1. Yugoslavia could defend herself against an attack by any one and probably by any two of the four satellites (Albania, Bulgaria, Hungary, Rumania), but would eventually need logistical support from the West.

"2. Yugoslavia could defend herself against a sustained attack by Bulgaria, Hungary and Rumania or by all four satellites only if she received logistical

Footnote continued on following page.

The second point, in so far as it can be answered now, is dealt with below.

Problem

To determine what assistance should be given to Yugoslavia in case of an attack by one or more of the Soviet satellites.

Discussion

The possibility of an attack on Yugoslavia was considered in connection with the preparation of NSC 18/4, which was approved on November 18, 1949. This document recommends that, in the event of an attack on Yugoslavia by the satellites, the US should support consideration of the matter by the Security Council, should participate in devising a resolution condemning the aggression, and should cooperate in carrying out any resolution adopted by the Security Council. In the event of delay in UN action, the document proposes that the US consult with the UK, France and other interested countries on possible interim security measures, and also that, if the USSR blocks action in the Security Council by its veto, the US should consult with other interested states in regard to making supplies available to Yugoslavia and imposing economic sanctions on the aggressors.

Document NSC 18/4 also recommends that, in the event of a satellite attack on Yugoslavia and if aid is requested by that country, the US should supply military aid "to the degree practicable under the conditions then prevailing and in any event within the limit of maintaining US ability to implement emergency war plans". . . . The Joint Chiefs of Staff have emphasized that it would be militarily unsound for any political action to be taken in the UN which would irrevocably commit the employment of US troops in Yugoslavia, without preserving the right of decision on this matter in the light of the situation existing at the time. It is unlikely that the Security Council would include in a resolution an appeal for troops, particularly if the US opposed it. A general resolution calling upon members to provide aid to the victims of aggression, along the lines

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Footnote continued from preceding page.

support from the West. The amount of such support required would vary according to the nature of the attack.

"3. If the four satellites should attack between now and the end of 1950 with the *probable strength* they will possess during that period, the Yugoslavs could be expected to withdraw only under heavy pressure to successive delaying and defensive positions and might well contain and reduce the initial enemy penetrations except in the flat country north of Belgrade. However, it would be necessary for the West promptly to supply sufficient quantities of materiel in order for the Yugoslav army to defeat the invaders.

"4. On the other hand, if the four satellites should attack between now and the end of 1950 with the *maximum feasible strength* they could possess during that period, the Yugoslavs probably would have to give up Belgrade and to withdraw to a defensive line in the mountainous areas of western Yugoslavia. An adequate and prompt flow of supplies from the West would be necessary, otherwise Tito's army ultimately would be defeated."

of the Korean resolution of June 27, 1950,[4] would be more likely.

On the basis of recommendations contained in NSC 18/4 a study has been made by the Departments of State and Defense estimating Yugoslavia's requirements for military supplies in case of attack and the extent and manner by which supplies can best be made available. This study reveals that Yugoslavia would probably need equipment in the following broad categories: ammunition, motor transport and spare parts, armored vehicles, demolitions, grenades, mines, anti-tank weapons, bridging, signal equipment, medical supplies, petroleum, anti-aircraft weapons, equipment for airdrops, reconnaissance aircraft, small arms and mortars, small naval craft. Also on the basis of NSC 18/4 the Department has been in communication with the UK and French Governments on the subject of providing military supplies to Yugoslavia in case of attack. The three Governments have agreed in principle that supplies should be made available in such an event and will explore the subject in technical talks scheduled to begin in Washington in the first week of October.

The problem of determining the capabilities of the US and other Western Powers to furnish materiel and supplies to Yugoslavia in the event of a satellite attack at some unspecified moment in the future is essentially a question of priorities. In present circumstances all materiel presently available to the US is already committed to one program or another, and to divert any of it for use in Yugoslavia would require the establishment of a top priority for that program. While the forthcoming technical discussions with the British and French may clarify the picture, in the last analysis it is probable that any real military assistance to Yugoslavia will have to come from the US; consequently the decisions on what supplies may be devoted to this program, where they may be stockpiled, and how they may be delivered to Yugoslavia in case of attack will have to be worked out within the US Government. Reserve stocks in the US and US Army stocks overseas are completely committed to our emergency war plans. The MDAP is fully scheduled, and what might be diverted for use in Yugoslavia would have to be taken from stocks scheduled for participating countries.

To date no direct, concrete high-level approach has been made to the US by the Yugoslav Government to request arms aid. Publicly Yugoslav leaders are saying that they do not intend to request it. There are indications, however, that they will make such a request and will raise the question of financing as well as the question of supply.

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[4] For the text of the U.N. Security Council resolution under reference here, see vol. VII, p. 211.

Conclusions

1. In the event of an attack on Yugoslavia by one or more of the Soviet satellites, the US should act through the UN along the lines laid in NSC 18/4 and should carry out any UN resolution on the subject.

2. In the event of such an attack the US should be prepared to provide military supplies to Yugoslavia along the lines laid down in NSC 18/4. In this matter the US should cooperate with the UK, France and other interested nations, although it is probable that they will not be able to contribute very much in material support.

3. . . .

4. Further study is being undertaken concerning the availability of military supplies for Yugoslavia in case of attack, the possible use of MDAP funds and supplies, possible stockpiling of supplies for Yugoslavia, priority of the Yugoslav program, and related subjects. So far as these matters concern the UK and France as well as the US and are technical rather than policy questions, they will be considered in the forthcoming tripartite technical talks.

5. NSC 18/4 is now before the National Security Council for review and revision, in accordance with a decision taken by the Senior Staff. Reconsideration of our policy in this connection will take into account the changes in the international picture following upon the aggression in Korea, the changing military situation in the Balkans, and the views of the Joint Chiefs of Staff set forth in their memorandum of August 23, 1950.[5]

[JOHN C. CAMPBELL]

[5] *Ante*, p. 1441.

868.10/9–2550 : Telegram

The Ambassador in Yugoslavia (Allen) to the Secretary of State

SECRET BELGRADE, September 25, 1950—9 p. m.

278. Black, President IBRD, told me before he left Belgrade today that during his conversations with Yugoslav government, three possible courses of action were debated at length. These were: (1) Yugoslav Government to depend on its own resources, tighten its belt, and not ask for further foreign aid, (2) Yugoslav Government to depend primarily on US assistance, asking for larger loans and also food grants from US; and (3) Yugoslavia to continue conversations with IBRD in Washington (presumably in endeavor to work out with Yugoslav Government realistic over-all industrialization and related capital equipment import programs). Velebit strongly championed third alternative, while Vlado Popovic, Ambassador to Washington,

and Milentije Popovic, Minister of Foreign Trade, were opposed. Velebit's view prevailed and conversations will be continued in Washington.

While there is not yet sufficient basis to judge, foregoing may indicate at least temporary trend away from doctrinaire Communism of Popovic–Djilas [1] school to more practical economic views of Velebit.

In separate conversation Rosen told Fowler that talks with Kidric and other Yugoslav officials had been very frank and that latter had shown more inclination than formerly toward flexibility, probably because of the severe jolt given them by the drought.

Black's visit was highly useful. It acquainted key Yugoslavs with point of view of international organization. He was able to dispel much of their opinion that bank is US institution, and his forthright but pleasant approach created favorable impression. Moreover, I believe Yugoslavs in turn succeeded in increasing Black's interest in their situation. He left convinced that Yugoslavia should have economic assistance from west, but he remains uncertain that IBRD is proper source of such assistance.

I think it likely Yugoslavs will continue as in past to follow policy which is mixture of all three alternatives suggested in first paragraph.

Sent Department 278, repeated information London 19, Paris 32.

ALLEN

[1] Milovan Djilas, Secretary of the Politburo of the Yugoslav Communist Party and Yugoslav Minister without Portfolio.

868.10/9–2650 : Telegram

The Ambassador in Yugoslavia (Allen) to the Secretary of State

SECRET BELGRADE, September 26, 1950—noon.

281. Last night Vlado Popovic, Yugoslav Ambassador to US, gave me considerably different version of conversations with Black from that reported in Embassy's 278.[1] Popovic declared that Black's conditions for continuing negotiations were entirely unacceptable and that no further conversations would take place in Washington or anywhere else unless the Bank changed its position. He said Black insisted upon complete relaxation of its entire heavy industrialization program, leaving existing projects where they stand. Equally onerous, he said, was Black's second demand, that henceforth Yugoslav Government should obtain credits from no source other than IBRD. This pertained not only to dollar credits but also to credits in any currency, mentioning German, Belgian, French, British, etc. According to

[1] *Supra.*

Popovic, Black ruled out any further loans from ExIm Bank. In return, International Bank would be willing to discuss dollar and other credits up to $200 million during next four years.

Popovic emphasized that no communiqué would be issued regarding Black conversations here. When I referred to Black's statement at Frankfurt yesterday that Yugoslav Government would send a special representative to Washington to continue discussions with Bank, Popovic replied merely with deprecatory gesture.

Popovic admitted that Black had spoken throughout discussions as representative of international institution and not as American citizen.

Popovic referred to his conversation with Secretary before leaving Washington and said Secretary had expressed opinion that ExIm Bank and IBRD were both appropriate sources for credits and also indicated approval of credits from Germany and other sources.[2] Popovic said he planned to call on both Secretary and President on his return to Washington to present Yugoslav Government case. Due arrive Washington September 28. He will doubtless investigate possibility of grant for food relief as well as ascertain US Government's attitude toward Black's conditions.[3]

Popovic showed considerable emotion and undoubtedly exaggerated Black's statements. I do not believe situation is as hopeless as he pictures and I plan to talk with Velebit at early opportunity.[4]

It seems evident that considerable divergence of views has developed within Yugoslav Government between strict Marxists like Popovic and more moderate elements like Velebit. My guess is that Popovic group retains stronger influence in government but emergence of Velebit point of view is of much significance.

Sent Department 281, repeated info London 21, Paris 34.

ALLEN

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[2] See Yost's memorandum of conversation, September 5, p. 1445.

[3] Telegram 223, September 30, to Belgrade, not printed, reported that shortly after his return to Washington, Ambassador Popović had called on Assistant Secretary of State Perkins and gave his version of the discussions with Black. Popović said that the Yugoslav proposals envisaged a total of $400 million in loans over the following 3 years and an additional $100 million in grant aid for food. Popović claimed that Black had set conditions as to the tempo, extent, and character of the Yugoslav industrialization program which would mean the end of the Yugoslav five-year plan. Popović stated that Yugoslavia had not endured such treatment from the Soviet Union and would not accept it from anyone else (868.10/9–2650).

[4] In his telegram 288, September 28, from Belgrade, not printed, Ambassador Allen reported that Yugoslav Deputy Foreign Trade Minister Velebit's version of the discussions with IBRD President Black was very close to Black's own account reported upon in telegram 278, *supra*. Velebit stated that Black had not insisted that Yugoslavia obtain all its loans from the IBRD, that differences between Black and Yugoslav officials on the Yugoslav industrialization program largely concerned rapidity of development and the question of level, and that Black had not concerned himself with any matters beyond his proper scope or posed any improper conditions (868.10/9–2850).

768.5/9-2650

The Department of State to the British Embassy[1]

TOP SECRET

AIDE-MÉMOIRE

The Department of State has considered the questions raised in Earl Jellicoe's communication of August 14, 1950, regarding the Department's proposal that a tripartite working party should meet in Washington to discuss the present views of the United Kingdom, French and United States Governments, and to coordinate their planning in the event it is determined to accord the Yugoslav Government certain military assistance.[2] It is now in a position to agree that the working party should not concern itself with questions of political policy such as the action to be taken in the Security Council in the event of an invasion of Yugoslavia. Also, the Department has arranged with the Department of Defense for the deletion of the last sentence of page 6 of the staff study transmitted under cover of its *aide-mémoire* of July 10, 1950.[3] As regards the Embassy's suggestion that a service mission should be sent to Yugoslavia in the event the Yugoslav Government submits a request for arms, the Department agrees that this is a subject for consideration by the working party.

The French Government has also agreed to the suggestions for a tripartite technical working party to consider this subject.[4] The Department therefore suggests that the technical working party should hold its first meeting on Monday, October 2, 1950, and that it continue to meet thereafter as necessary. The United States will be represented by several field grade officers from the Department of Defense numbering perhaps ten, one of whom shall act as spokesman for the United States, and by a couple of officers from the Department of State. There is enclosed a suggested outline of the subject to be considered and the manner in which it might be approached.

WASHINGTON, September 26, 1950.

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[1] A similar but briefer *aide-mémoire* incorporating most of the substance of paragraph 2 of the communication printed here, was sent to the French Embassy on September 26, not printed (768.5/7-2450).

[2] Lord Jellicoe's memorandum under reference here, not printed, responded to the Department of State *aide-mémoire* sent to the British Embassy on July 10 and summarized in telegram 186, July 12, to London, p. 1432. A similar *aide-mémoire* was also sent to the French Embassy on July 10.

[3] The staff study under reference here is not printed, but see footnote 5, *ibid.* The sentence at issue here dealt with the possible availability of surplus British naval craft for assignment to Yugoslavia.

[4] The French Embassy *aide-mémoire*, dated July 24, is not printed.

[Enclosure]

Paper Prepared in the Department of State

TOP SECRET [WASHINGTON, undated.]

U.S. SUGGESTIONS FOR INITIATION OF TRIPARTITE DISCUSSIONS ON MILITARY ASSISTANCE TO YUGOSLAVIA

1. *The Problem*:

To consider, in view of the possibility of aggression against Yugoslavia by one or more of the Soviet Satellites with or without the participation of Soviet forces, the Yugoslav materiel and supply situation and the character of the materiel and supply assistance which might be provided to Yugoslavia by the Western Powers.

2. *Detailed Aspects for Consideration:*

a. Assumptions as to circumstances prevailing when the emergency arises.

b. Estimate of Soviet and Satellite capabilities against Yugoslav forces and of the timing and character of operations.

c. Estimate of materiel and supplies now in possession of Yugoslav forces.

d. Estimate of Yugoslav requirements and deficiencies.

e. U.K., French, and U.S. resources available to meet deficiencies.

f. Nature, location and timing of stockpiling.

g. Circumstances under which a mission should be sent.

h. Training Problems.

i. Transportation and other logistic problems.

3. *Suggested Conduct of Initial Discussions:*

a. U.S. representatives will be prepared to present their views on the preliminary aspects of the problem at the initial meeting. Presumably the U.K. and French delegations will desire to do likewise.

b. It is conceived that at subsequent meetings, appropriate sections of the representation will meet progressively to develop a concurrence of views on the various aspects of the problem.

4. *Proposed Initial Meeting:*

Room 3E 949, The Pentagon, 9:30 a.m., 2 October 1950.

868.03/10–550 : Telegram

The Ambassador in Yugoslavia (Allen) to the Secretary of State[1]

SECRET PRIORITY BELGRADE, October 5, 1950—11 a. m.

324. Boris Kidric,[2] director of planning commission, asked me to his office last night for what he termed preliminary and informal discussion re Yugoslav need for grant from US for food relief. Also present were Milentije Popovic, MinFon Trade, and Velebit, who translated.

Kidric said Yugoslavia had decided to request grant but naturally would be embarrassed if it made such request and was refused or if it asked for much more than feasible to obtain. He said he would therefore welcome personal and friendly exchange of views re manner and method of presentation and chances of success.

Kidric said Yugoslavia calculated its loss from drought at approximately $100,000,000 of which $60,000,000 were loss of food and fodder for internal use and $40,000,000 for export. Minimum Yugoslav needs before next harvest total about 460,000 tons food and feed from abroad, or about fifty shiploads during next six to eight months. Needs include, as I recall, 100,000 tons maize, 40,000 edible fats, 50,000 each of wheat, oats, barley, 35,000 tons sugar, 30,000 tons beans $7,000,000 worth vegetables and rice. Full details will be furnished in few days.

I pointed out that no one, not even the President, could give assurance regarding matter requiring Congressional action, and that outcome would depend largely on justification and information presented by Yugoslavia. I said I thought it only honest to say that obtaining Congressional approval would present great difficulties. To speak frankly, I believed that if request had been made month ago, when situation was going badly in Korea, proposal for grant to Yugoslavia would have got very few votes in Congress. Fortunately, things were now going better in Korea and public opinion might not be so unfavorable to Yugoslavia today but that nevertheless American public felt our soldiers were dying in Korea for UN and not for any selfish national motive and that Yugoslav attitude on Korea had simply not been convincing to man on street whose views were reflected in Congress. I emphasized that US had no desire to buy anyone's vote through grants or economic assistance but that facts had to be faced.

I said I thought Yugoslavia should also be prepared for a possibility that some unpleasant things might be said about present Yugoslav regime during debates in Congress. I pointed out, for example, that Senate had recently passed unanimous resolution calling on all coun-

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[1] This telegram was repeated to London and Paris.

[2] Chairman of the Yugoslav Central Economic Council and Chairman of the Yugoslav Central Commission for Planning; Secretary of the Politburo of the Yugoslav Communist Party.

tries to return Greek children and that someone might well question grant to Yugoslavia on this score. I added that at least 400 American citizens were being held in Yugoslavia against their will and said several of their Congressmen might have something unpleasant to say in this regard. I said it was not necessary to recall some other criticisms of Tito regime which might be brought out in debate.

Kidric said he hoped it could be brought forcefully to attention of Congress and American public that a grant to Yugoslavia would be an important aid to peace since a weakened Yugoslavia would be a tempting target for Cominform attack whereas a strong Yugoslavia, like a strong western Europe, would deter aggression.

I concurred that case could be made for grant and said my remarks should not be construed as advising against Yugoslavs making request.

Kidric said he would appreciate further talk with me before formal request is made. He indicated he would call me again in few days.

It is evident that decision to request grant was difficult one for Yugoslavia to make and was reached only yesterday, after several weeks of discussion. My guess is that Kidric himself, who is hard-core Communist usually ranked fifth in Politburo hierarchy (after Tito, Kardelj, Rankovic [3] and Djilas), regards decision as unpleasant necessity.

ALLEN

[3] Aleksandar Ranković, Yugoslav Deputy Prime Minister and Minister of Interior; Secretary of the Politburo of the Yugoslav Communist Party.

868.03/10–950 : Telegram

The Secretary of State to the Embassy in Yugoslavia

SECRET PRIORITY WASHINGTON, October 9, 1950—5 p. m.

240. For the Ambassador. Fol call on Perkins Sept 29 Popovic saw Reinhardt [1] Sept 30, Yost Oct 2, O'Gara [2] Oct 3, reiterating line described Deptel 223 Sept 30 [3] re Black conversations and food needs. (Memos pouched.[4]) Call on O'Gara was, Popovic stated, to present formal request for US grant assistance meet effects drought [5] in total amount $100 million, of which $50 million for food imports (food

[1] G. Frederick Reinhardt, Deputy Director of the Office of Eastern European Affairs.

[2] John E. O'Gara, Deputy Assistant Secretary of State for Economic Affairs.

[3] Not printed, but see footnote 3, p. 1456.

[4] None printed.

[5] A detailed review of the total loss caused to Yugoslav agriculture by the drought was presented in a Yugoslav Embassy memorandum dated October 3. For the text of that memorandum, see *Yugoslav Emergency Food Assistance Program*, prepared for the use of the House Committee on Foreign Affairs by the Department of State (Washington: Government Printing Office, 1950), pp. 10–14.

shipments needed begin Oct), $50 million for industrial raw materials Yugo wld otherwise have purchased with Agri exports. Dept's response was that problem wld receive most serious, urgent and sympathetic consideration; that more specific response may be possible in about a week. Popovic was disabused his apparent misapprehension Admin cld advance funds now, arranging Congressional appropriation later. (See Handler's Oct 2 Desp, *NY Times* Oct 3.) FYI only, Dept exploring possibilities use funds now available various sources other than Congress.

In view Popovic's extreme position, especially his rptd attempts obtain US pressure on IBRD, and importance maximizing possibilities more reasonable Yugo viewpoint represented by Velebit (Deptel 223, Para 4), Dept considers now is time make clear to Tito US position on 1) food assistance and 2) other econ assistance; Re 2, that we have reached point where absolutely essential, if he expects any further assistance for economic development, that he cooperate particularly by scaling down excessive capital equipment imports resulting from excessive rate capital investment. Dept therefore suggests you seek immed audience with Tito and make oral statement along fol lines:

1. US Govt is aware of gravity drought situation confronting Yugo and resulting necessity large-scale food imports coming winter. In continuance our policy of assistance to Yugo, US giving urgent and sympathetic consideration assisting Yugovt to meet emergency domestic food and feed requirements.

In view limitations Yugo port, railroad and distribution facilities, immed start food shipments shld be made. As initial step in meeting Yugo's food crisis, since only Dol funds now available Yugovt, apart its own Dol earnings, are $15 million credit recently authorized Eximbank, Dept prepared support Yugo request Eximbank for consideration of immed utilization portion this credit for urgent current account purchases, which wld make possible starting food pipeline immed.

As second step, US Govt is examining carefully further measures meet Yugo food requirements.

2. Re general question Econ assistance to Yugo critical point has now been reached. Until recently Yugovt has asked for loans from US on business basis, and US has through Eximbank made loans totalling $55 million on that basis. It has also approved West Ger credit for Yugo. Understanding was these loans wld help Yugo surmount difficulties of transfer of trade from East to West fol Cominform blockade and reach position where Fon payments cld be balanced.

Recently, however, entirely new situation has arisen as result of two factors: (1) Expansion of Yugo requests for credits, e.g., new request for $400 million and (2) effects of drought and consequent Yugo request for $100 million grant. US Govt must make clear at this point that it cannot possibly meet totality of these requests. As prac-

tical matter, it must be recognized that most urgent problem is food crisis, to solution of which both Govts shld give primary attention.

Salient point is, however, that in considered judgment of US Govt, credits being sought are appreciably greater than can be made available to Yugo under foreseeable circumstances. No amt persuading will convince lenders of Yugovt's ability service any such figure as $400 million loans being sought through 1952. However, if Yugovt effects such changes *of degree* in its econ program as will enable Yugovt convince lenders its ability service additional debt, further economic assistance reasonable scale entirely within realm possibility. It is not question of opposition to Yugo's industrialization but concern over whether program as presented is within economic capacity of country. In this connection, US Govt believes IBRD is logical place for Yugovt to go for primary assistance for economic development and that it should pursue this channel.

3. Yugovt may be assured that US understands and sympathizes with Yugo people at this critical time. US wishes to assist them, but Yugovt itself must have understanding of practical possibilities of assistance. For Example, it must take into account certain institutional facts (such as limitations on power of Executive branch of US Govt and attitude of Congress, which you shld explain in detail if necessary) and US public opinion, of greatest importance in event request made to Congress for food grant, possibly the only way grant cld be made. On basis mutual understanding problems facing both Govts it shld be possible for two countries to make maximum effort toward successfully meeting situation which involves interests of both.

ACHESON

868.00R/10-950

Memorandum by the Deputy Director of Mutual Defense Assistance in the Department of State (Ohly) to Major General Lyman L. Lemnitzer, Director of the Office of Foreign Military Assistance, Department of Defense

SECRET [WASHINGTON,] October 9, 1950.

Subject: Evaluation of the Military and Strategic Consequences of the Anticipated Economic Crisis in Yugoslavia

Every shred of information before the Department of State indicates that in the absence of rapid and extensive remedial measures, Yugoslavia will be faced with an economic crisis of very major proportions during the coming winter. This crisis results primarily from the serious drought of the last summer, which will cause a short fall in grain production of the following amounts: 1,000,000 tons of corn; 500,000 tons of wheat. The anticipated shortages have already caused a marked increase in the rate of slaughter of livestock.

The Yugoslav Government has taken certain preliminary measures to control the situation. First, they have cut the bread ration an

average of 10%; secondly, they have stopped all exports of foodstuffs; thirdly, they have introduced regulations for the systematic control of livestock slaughter; fourthly, they have formally requested the United States Government for $50 million in grant aid for the purchase of foodstuffs and $50 million in grant aid for the purchase of industrial raw materials for which the loss of food exports has made it impossible for them to pay. Under "The Tied Price System" in Yugoslavia the amount of consumer goods made available to agricultural producers is tied to the deliveries to the state of agricultural produce. Similarly, the amount of food available to industrial workers is tied to the rate of industrial production.

The general effect of the drought on the Yugoslav economy will be to place an immediate strain on the price system, to dislocate the industrial sector of the economy and to increase the growing unrest and disaffection in the peasant areas, particularly in those more backward agricultural areas such as Montenegro and parts of Macedonia and Bosnia, as well as in Croatia, an area which has been particularly hostile to the regime. Economically, the most serious menace to the Yugoslav position seems to be the possible breakdown in the distribution and price system and in industrial production. Politically the most serious internal menace to the Yugoslav position would seem to be the possible disorder among the peasant population. The Cominform will certainly not fail to attempt to make use of this situation.

In order to determine what action, if any, the United States should take to help avert or minimize this crisis, it is imperative that the Department of State have, at the earliest possible moment, either informally or formally, the views of the Department of Defense on two factors which affect the seriousness of the situation from the standpoint of the United States. These two factors are:

(1) An evaluation of the probable effect, if any, of such an economic crisis on the military capabilities of Yugoslavia and, more particularly, on the specific capabilities of its armed forces to deal with the kind of internal and external threats which represent the most likely probabilities in the near future; and

(2) The strategic importance from the standpoint of United States security, of the effects referred to in (1).

Since the problems referred to herein are being given the most urgent attention at the present moment, both in this department and elsewhere in the Executive Branch of the Government, I would appreciate your views at the very earliest possible date, even if they must be preliminary and informal in character.

JOHN H. OHLY

868.00/10-1050

Memorandum of Conversation, by the Officer in Charge of Balkan Affairs (Campbell)

SECRET [WASHINGTON,] October 10, 1950

Participants: Mr. Eugene R. Black, President of IBRD
Mr. Robert P. Joyce, S/P
Mr. John C. Campbell, EE

Prior to his interview with Ambassador Popovic today [1] Mr. Black asked us to come to his office for a brief talk on his trip to Yugoslavia [2] and inquire concerning developments on the question of financial assistance to Yugoslavia since the return of Ambassador Popovic to the US.

In recounting his conversations with Yugoslav officials Mr. Black said that he had first talked for four hours with Tito, to whom he had frankly given his views as to the possibility of IBRD loans to Yugoslavia. He told Tito that the IBRD probably would be able to undertake a general program of credit assistance to Yugoslavia on a sound business basis if the Yugoslavs were willing to supply all the necessary information and to meet the terms which the Bank would have to require as creditor; the Yugoslav Government could, he said, incur loans only within the program agreed with the IBRD and obviously could not continue simultaneously to apply for dollar loans from the Eximbank. Mr. Black said that Tito had accepted these propositions as a proper basis for detailed discussions. There then took place long discussions between Mr. Black and a Yugoslav Committee headed by Kidric and including Milentije Popovic, Vladimir Popovic and Velebit. During these talks the Yugoslavs presented their proposals for $400 million in credits over a two-year period, explaining their specific plans for individual industries such as steel, petroleum, aluminum and electric power. On the last day of his visit Mr. Black presented his reaction to these Yugoslav proposals. He said that he did not believe that the Bank, in the light of the Yugoslav situation and prospects, could lend more than $200 million over a period of four years. He also said that he could not agree that the Yugoslav program as it stood, in particular the plans for heavy industries, was within the capacity of the country and that this program would have to be altered if the Bank were to undertake the responsibility of financing. The Yugoslavs were disappointed with Mr. Black's reply, saying that these conditions would be very difficult to accept. After some further discussion they did concede that they might get along

[1] Regarding Black's conversation with Popović, see telegram 262, October 12, to Belgrade, p. 1469.

[2] For other reports on Black's trip to Yugoslavia, see telegrams 278, September 25, from Belgrade, p. 1454, and 281, September 26, from Belgrade, p. 1455.

with $350 million in three years but in any event could not accept the basic alteration of their industrial program. Mr. Black then told them that they had two alternatives: (1) they could work out a development and financing program with the Bank on a sound basis such as he had suggested and would be assured of the full cooperation of the Bank, which was an international institution and had no political purposes behind its lending activities; (2) they could forget about the Bank and go directly to the US Government, asking for more loans to meet their needs. Mr. Black said that he could not speak for the US Government but that he doubted whether they would be able to get from the US Government any such amount in loans as they were speaking of. The Yugoslavs suggested that there was a third alternative, that of relying entirely on their own resources and carrying on with their bare hands, picks and shovels. Mr. Black said that they might try that course but wondered what would happen to their standard of living, which they conceded to be the lowest in Eastern Europe, and to their position vis-à-vis the USSR. The Yugoslavs agreed that this third alternative contained dangers which they would not wish to contemplate.

Since no decision could be reached at Mr. Black's meeting with the above group, they went directly to Tito to report the situation to him. Forty-five minutes later Tito and this group received Mr. Black for a final conversation. Mr. Black then repeated his views directly to Tito. The latter indicated that he found them on the whole reasonable and probably acceptable except for the one condition concerning Yugoslavia's steel industry. Tito said that Yugoslavia had invested a good deal of money in it already and must carry on with it. Mr. Black held his ground, saying that this was just the type of unjustified rapid expansion of heavy industry which Yugoslavia could not afford. Tito finally admitted that his reasons for insisting on going ahead with his steel industry program were political. He said that his people had been promised a heavy industry and he evidently did not wish to face the political consequences, particularly from Russia, of an admission that this dream would not come true. During the conversation Mr. Black emphasized that the Bank would make every effort to give Yugoslavia the maximum credits which its situation permit; possibly, as the program went along, a larger total in loans might be extended. However, Mr. Black said, he did not wish to give the Yugoslavs any false hopes or to leave any illusions concerning the Bank's position. Although the meeting ended inconclusively, Tito said that he would send a mission to negotiate further with the IBRD in Washington.

At a party given for Mr. Black that evening Ambassador Popovic, in a conversation with Mr. Rosen, made the remark that if the IBRD did not change its impossible demands and conditions the Yugoslavs

would drop the whole matter and would "break with the West". At the airport next morning as Mr. Black was leaving, he told Velebit of Popovic's remark, pointing out that this was not what he had understood from Tito to be the Yugoslav attitude. Velebit said that Mr. Black himself had heard what Tito had said and knew the Yugoslav position as it then was. Velebit indicated his own sharp disagreement with Popovic's attitude and inferentially confirmed the strong impression which Mr. Black had received during the past week that a schism exists within the Yugoslav Government on this issue of assistance from the West. Mr. Black considers that Velebit, who obviously has a role of greater influence and importance than his position as Deputy Minister of Foreign Trade would indicate, represents the school which favors dealing with the West, and particularly with the IBRD, in a more or less, reasonable economic program. On the other side are the die-hards like Ambassador Popovic and Milentije Popovic who want to go ahead with the Communist Program at all costs; if they could get aid from the West, all right, but they would not make any concessions. Mr. Black believed that these men thought entirely in political terms and seemed incapable of understanding the position of the IBRD or the economic arguments which he had advanced. He felt that if the views represented by these men should win out, or if Ambassador Popovic should be in charge of further negotiations with the IBRD, there was no chance of getting anywhere. Mr. Black did not have any strong impression of where Kidric stood but thought that, like Tito, he was somewhere in the middle.

On the subject of the Yugoslav request to the US Government for grant aid to meet the food crisis, Mr. Black suggested that we take a very close look at the data supporting the Yugoslav request. He said that Rosen had got one of the Yugoslav economists to admit, of the $50 million worth of food they were asking for, half was to be handed over to collective farms; thus imported food was likely to be used to serve the political purposes of the regime and particularly its collectivization program at the expense of the independent peasantry.

We gave Mr. Black a short account of Ambassador Popovic's recent visit to the Department and his description of the conversations with Mr. Black in Belgrade. We also told him that the Department had recently instructed Ambassador Allen to point out to Tito the difficulties of providing further credit assistance through the US Government and to say that we regard the IBRD as the logical place for the Yugoslav Government to go for primary assistance in its economic development.[3] Mr. Black said that he believed that this was the right way to deal with the problem.

[JOHN C. CAMPBELL]

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[3] See telegram 240, October 9, to Belgrade, p. 1460.

768.5/10-1150

Memorandum of Conversation, by Mr. Michael R. Gannett of the Office of Eastern European Affairs

TOP SECRET [WASHINGTON,] October 11, 1950.

Participants: Mr. de Juniac, Counselor of French Embassy [1]
Lord Jellicoe, First Secretary, British Embassy
Mr. Campbell—EE
Mr. Gannett—EE

Mr. de Juniac requested this opportunity to discuss further with Mr. Campbell and with Lord Jellicoe the interest of the Quai d'Orsay to use the proposed extension of arms to Yugoslavia as a means to secure improvement in Yugoslavia's relations with Greece, Italy and Austria.

Previously, at the first meeting of the technical triparite working party on military assistance to Yugoslavia,[2] Mr. de Juniac had raised this same question. It was agreed at that time that the matter was outside the scope of the working party's talks. Mr. de Juniac consented to withdraw his request that it be considered in that form if it would receive joint consideration between the Department and the French and British Embassies.

Mr. de Juniac handed the attached *memoire* [3] to Mr. Campbell and Lord Jellicoe, indicating that he believed the procedure outlined therein would satisfy the Quai d'Orsay. When Lord Jellico and Mr. Campbell said they would seek advice, Mr. de Juniac replied he did not wish to suggest they carry the matter that far, whereupon Mr. Campbell said he would inform Mr. de Juniac of any differences of view the Department might have should these develop, recalling that in the past the three Embassies at Belgrade have made coordinated but separate representations on Trieste matters and on German POWs. Lord Jellicoe indicated his impression that Austro-Yugoslav relations were on the mend and at the moment presented no pressing problems.

[MICHAEL R. GANNETT]

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[1] Gontran Begoügne de Juniac, First Counselor of the French Embassy.

[2] Regarding the tripartite working party under reference here, which met in Washington for the first time on October 2, see the *aide-mémoire* of September 26 from the Department of State to the British Embassy, p. 1457.

[3] The communication under reference here, dated October 10, not printed, raised the question of how the proposed assistance to the Yugoslav Government in the form of military equipment and materials might be utilized to obtain certain modifications in Yugoslav external policies particularly in connection with the improvement of relations with Greece, Italy, and Austria. The communication acknowledged that it would be inopportune to require changes in Yugoslav policies as a condition to the granting of military assistance, but it offered a two-stage alternative course of action. First, American, British, and French Ambassadors in Belgrade would make separate, oral *démarches* to the Yugoslav Government on the matter. If this proved ineffective, the three Ambassadors would join together to consider what more effective forms of pressure might be taken (768.5/10-1150).

868.10/10-1250 : Telegram

The Secretary of State to the Embassy in Yugoslavia

SECRET NIACT WASHINGTON, October 12, 1950—8 p. m.

261. Dept has been much concerned with Yugo efforts, particularly those of Popovic, to obtain from US and other western sources excessive loans for unrealistic industrialization program; and a continuation of present Yugo economic plans may result in recurrent crises and requests for US aid similar to that now facing us, and which it may not always be possible to meet. These excessive requests also have effect of delaying consideration of a realistic loan program. We are now faced not only with the question of economic development and balance of payment credits but also with the acute food and raw material shortage resulting from drought. The latter we are making best efforts to deal with on emergency basis. Feel however that Yugo position presented to us by Popovic is lacking in realism in light of above factors.

Aim of our 240 Oct 9 [1] was to clarify situation at top level and try to get Yugos to face up to what we perceive to be facts of life. We feel a frank statement on our part now, mentioning general question of loans as well as food aid, shld strengthen rather than weaken realists in Yugo. We are confident that in addition to Secretary's statement to press today, sent you in separate cable,[2] you will be able to present these views so as to minimize possibility of adverse repercussions which you foresee in your 348 Oct 11 [3] and hence would prefer you present our views generally along lines set forth in our reftel.

However if you still feel strongly presentation shld be made in two separate conversations our concurrence is given on clear understanding that second interview with Tito can follow within few days and that Dept's principal purpose of acquainting Tito personally with full pic-

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[1] *Ante*, p. 1460.

[2] Telegram 256, October 11, to Belgrade, not printed, gave a summary of remarks made by Secretary of State Acheson on the question of food relief for Yugoslavia during his press and radio news conference of October 11 (868.03/10-1150). Asked by a correspondent if the United States was going to send food to Yugoslavia, the Secretary responded that it would undoubtedly be necessary to send food and quite soon. He explained that the matter was being discussed with the Yugoslav Government and within the United States Government but that no decisions had been reached.

[3] In his telegram 348, October 11, from Belgrade, not printed, Ambassador Allen strongly recommended that his proposed talk with Marshal Tito be confined for the time being to the question of a grant of food and that any statement of position concerning further general economic assistance be reserved for at least several days. Allen expressed the view that the linking of the two matters in the same conversation along the lines suggested by the Department of State would undoubtedly be interpreted as evidence that the United States was using the desperate food situation as a lever to force major cutbacks in the Yugoslav industrialization program. Allen feared that the backfire might cancel the effect of the offer of food relief, cause reasonable elements in the Yugoslav regime to lose influence, and generally jeopardize American policy toward Yugoslavia (868.03/10-1150).

ture US views on overall Yugo economic situation can be promptly achieved.

We think your point re US mtg totality of Yugo credit request is well taken and you shld accordingly direct your remarks so as to make clear that US Govt itself cld not support nor participate in credits to Yugo to meet any such loan program as that proposed.

ACHESON

868.10/10–1250 : Telegram

The Secretary of State to the Embassy in Yugoslavia

SECRET WASHINGTON, October 12, 1950—8 p. m.

262. Black, Pres IBRD, informed Dept Oct 10 [1] Popovic called on him Oct 9 to state Yugo Govt cld not accept conditions set by Black for IBRD loans and in circumstances saw no need for further negots in absence change of attitude by Bank. If this represents firm Yugo Govt position, Black is ready to drop consideration of IBRD loans to Yugo. However, since Popovic statement is not consistent with what Tito told him at final conversation in Belgrade, Black contemplates communication to Tito via Popovic which wld provide opportunity to Yugo Govt to continue negots on basis of understanding Black thought was reached in Belgrade if there is any disposition to do so.[2]

ACHESON

[1] The reference here appears to be to a meeting on October 11 between IBRD President Black and Assistant Secretary of State for European Affairs Perkins at which Black reviewed his recent visit to Belgrade and his meeting the day before with Ambassador Popović. Campbell's memorandum of this conversation is filed separately under 868.00/10–1150.

[2] In his letter to Popović, dated October 16, not printed, Black stated that he reported to the IBRD Board of Executive Directors on his visit to Yugoslavia and his subsequent exchanges in Washington with Popović. The Board had expressed themselves in complete agreement with the position taken by Black and indicated that further discussions with Yugoslavia should be on the basis of that position (868.10/10–1650).

868.03/10–1350 : Telegram

The Ambassador in Yugoslavia (Allen) to the Secretary of State

SECRET NIACT BELGRADE, October 13, 1950—8 p. m.

365. Conversation with Tito this afternoon presented good occasion for emphasizing our position on both food relief and general credits (Deptel 261, October 21 [1] which arrived hour before appointment).

Tito began by saying he had asked see me in order follow up various discussions in Washington and Belgrade re Yugoslav needs for food. (It seemed obvious that this was intended as follow-up to my con-

[1] *Ante*, p. 1468.

versations with Kidric [2] which Tito has decided to carry on himself.) Tito's approach was along same lines as Kidric's saying he wished explore possibilities for assistance and exchange views on how best proceed. He particularly wanted clarify whether Yugoslavia should now make formal written request. He expressed regret at divergence between Kidric's statement to me and Popovic's request in Washington, remarking with smile that Popovic had construed his instructions "somewhat more definitely than Yugoslav Government had expected".

I handed Tito verbatim text of Secretary's press statement [3] which DepFonMin Mates [4] translated. (Mates was only other person present.) I pointed out that in view confusion over whether formal request had been made, it would seem to me desirable for Yugoslav Government make formal request in writing, stating position clearly and exactly. I pointed out that if his position were not stated clearly in writing there would always be confusion re what Yugoslavia was seeking.

Tito expressed full concurrence and said that formal written request would be made in Washington within few days. Tito remarked at this point he would not wish American Government think he was trying take over negotiations from this end and primary locale would remain in Washington.

Tito said request would point out clearly Yugoslav losses from drought and would express hope American Government would find it possible render assistance but he thought it would be presumptuous for Yugoslav Government ask US for specific amount or suggest nature of assistance.

I then told Tito while emergency food situation and question of longer credits for industrialization were quite separate problems, my government felt time had come make our position unmistakably clear concerning the larger issue. I said US Government believed Yugoslav Government should put its case for long term credits into hands of IBRD. I expressed personal belief Tito should send strong delegation to Washington to continue conversation with IBRD and said although Vlado Popovic and Kidric had both told me President Black had interposed impossible conditions, I thought they were wrong. I said I felt confident Black was sympathetic to Yugoslav needs and that solution could be found if Yugoslav Government and IBRD approached problem with determination find common ground. I said US Government did not presume speak for IBRD, but as member of that institution my Government did not wish leave any doubts re its own position, which was that Yugoslav requests for long term credits were far beyond Yugoslav ability to repay. I said we had no quarrel

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[2] See telegram 324, October 5, from Belgrade, p. 1459.
[3] See footnote 2, p. 1468.
[4] Yugoslav Deputy Foreign Minister Leo Mates.

with industrialization of Yugoslavia or concern over cost except in so far as we were asked to put up the money. Tito interjected with smile that as creditor, we were properly concerned that we collect our money. He agreed Yugoslavia should deal with IBRD on long term credits and said he would send delegation to Washington as soon as preliminary conversation had prepared ground.[5] He felt confident compromise solution could be found by concessions on part of both IBRD and Yugoslav Government and said he was optimistic of reaching agreement with IBRD.

Tito showed little surprise and no resentment at my statement that $400 million additional credits were much larger than Yugoslavia could repay. Fortunately, conversation developed in manner which left no possible grounds for subsequent charge we are taking advantage of food situation to force relaxation of industrialization. I am inclined think Tito has decided in favor of more moderate elements in Yugoslav Government although it is still too early to be certain on this point. Conversation was friendly throughout.

Tito said there would be press speculation regarding our conversation and he thought a brief communiqué giving substance of it was desirable. I said I thought communiqué should be given by Yugoslav press office as coming from him, since he had requested interview.[6]

ALLEN

[5] Telegram 379, October 16, from Belgrade, not printed, reported that Kidrič had informed Ambassador Allen that the Yugoslav Government had decided to send Deputy Foreign Trade Minister Velebit to Washington to carry on the discussions with the IBRD (868.10/10–1650).

[6] Telegram 269, October 16, to Belgrade, not printed, expressed the Department of State's gratification over the outcome of Ambassador Allen's conversation with Marshal Tito (868.03/10–1350).

S/S–NSC Files : Lot 63 D 351 : NSC 18 Series

Memorandum by the Secretary of State to the Executive Secretary of the National Security Council (Lay)[1]

TOP SECRET [WASHINGTON,] October 16, 1950.

Subject: Special Progress Report on the Implementation of NSC 18/2 and 18/4, "United States Policy Toward the Conflict Between the USSR and Yugoslavia."[2]

NSC 18/2 and 18/4 were approved as governmental policies on February 18, 1949 and November 18, 1949 respectively. It is requested that this special progress report as of October 10 be circulated to the members of the Council for their information.

[1] The source text was circulated to the members of the National Security Council as a "Progress Report."

[2] For information regarding NSC 18/2, February 17, 1949, "Economic Relations Between the United States and Yugoslavia", see editorial note, *Foreign Relations*, 1949, vol. v, p. 868. For text of NSC 18/4, see p. 1341.

The situation described in this report is so critical that unless a satisfactory solution is reached the ability of the Yugoslav Government to resist Soviet aggression will be seriously impaired. The members of the Council should be aware that this emergency situation can be met only by means of immediate and full cooperation on the part of all government agencies concerned, and that failure to meet this situation in an adequate and timely manner will make it exceedingly difficult and probably impossible to implement the United States policies set forth in NSC 18/2 and 18/4. Because of the serious repercussions which would follow from failure of United States policy toward Yugoslavia and because of the responsibility of the Secretary of State for the coordination of the implementation of these policies, it is desirable to bring this situation urgently to the attention of the members of the National Security Council.

The following estimates of the Yugoslav food needs represent the views of experts from the Department of State, Central Intelligence Agency, Department of Agriculture and the Economic Cooperation Administration.

1. As a result of a severe drought, Yugoslavia will need, in order to meet minimum food requirements for human consumption alone, to import large amounts of foodstuffs before the spring harvest.
2. The initial United States Government estimate places Yugoslav needs for food imports at a minimum of $35 million. However, it is considered likely that the figure of $50 million presented to the Department of State by the Yugoslav Ambassador on October 3 may prove to be reasonable upon further investigation. On October 3 the Yugoslav Ambassador presented an oral request for grant assistance in the amount of $100 million of which $50 million was stated to be for food imports and $50 million for raw materials, as indicated in the attached memorandum from the Yugoslav Embassy.[3]
3. Grain requirements estimated by United States Government experts at 200–300,000 tons, valued at approximately $15–$20 million, comprise almost half of Yugoslavia's total needs. Grain surpluses in these amounts are available in this country, and in France and Turkey. However, it may be necessary to raise this grain estimate upward if Yugoslav estimates of their needs for other foods can be substantiated, since grain would be the cheapest and most practical substitute for the other more expensive foods.
4. Because of limited Yugoslav capacity to unload and distribute foodstuffs, especially after winter sets in, it is considered essential that food shipments be started this month, if they are to be effective. In order to avoid transportation congestion, shipments should be evenly scheduled over the period of the next six to eight months.

Reports from Ambassador Allen in Belgrade and from British diplomatic sources confirm that if Yugoslavia's minimum food import

[3] Regarding Ambassador Popović's call at the Department of State on October 3 and the Yugoslav Embassy memorandum of the same date under reference here, see telegram 240, October 9, to Belgrade, p. 1460.

requirements are not met, the situation will become so serious that the Yugoslav Government's ability to resist Soviet aggression will be gravely weakened.

The Yugoslav Government has already taken certain internal measures to alleviate the food situation, which in themselves however will not be adequate to solve the problem without large-scale food imports. The estimates of food requirements included in this report take into account these actions of the Yugoslav Government.

These additional food import requirements together with the loss of agricultural exports resulting from the drought have led to a further deterioration in Yugoslavia's balance of payments, which will make it impossible for Yugoslavia to meet the food crisis with its own foreign exchange resources.

There are at present no dollar funds immediately available to the Yugoslav Government for this purpose. Therefore, the Department of State is informing the Yugoslav Government that it is prepared to support a Yugoslav request to the Export-Import Bank for consideration of immediate utilization of a portion of the recently authorized $15 million credit for urgent current account purchases, which would make possible starting the food pipeline immediately.

The Department of State is presently exploring the possibilities of emergency assistance to Yugoslavia from other countries, notably the United Kingdom, Canada and France. It is clear, however, that the financial cost of the food assistance would in any event have to be borne mainly by the United States.

It is in the interest of United States foreign policy, as set forth in NSC 18/2 and NSC 18/4, that all possible steps be taken to meet the Yugoslav food requirements. Even if the Export-Import Bank can take action to permit immediate shipments, the bulk of the funds to meet the Yugoslav need will still remain to be found. Several possibilities exist to provide grant or other assistance, particularly by means of arrangements through the Economic Cooperation Administration or the Department of Agriculture. The possibility of utilizing the Military Assistance Program for this purpose is considered as remote and inadvisable.

It is contemplated that there will be called within the next few days a meeting between the Secretary of State and the heads of other closely interested government agencies to discuss arrangements to meet the emergency food requirements of Yugoslavia.[4]

DEAN ACHESON

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[4] A meeting of the sort envisaged in this paragraph appears to have taken place on October 18. A formal record of the substance of the discussion at the meeting has not been found, but the course of the meeting is indicated in the memorandum of telephone conversation by Barbara Evans, October 26, p. 1483.

868.03/10-1950

Memorandum of Conversation, by the Secretary of State

SECRET [WASHINGTON,] October 19, 1950.

Participants: The Secretary
Edvard Kardelj, Vice Premier and Foreign Minister of Yugoslavia [1]
Vladimir Popovic, Ambassador of Yugoslavia
Mirko Bruner, First Secretary of Yugoslav Embassy (interpreter)
John C. Campbell, EE

Mr. Kardelj began by saying that he wished to discuss with me certain urgent problems now facing the Yugoslav Government. He referred first to the drought and the great damage which it had caused to the Yugoslav economy, and to the immediate danger of famine. He said that his government had taken certain steps to deal with the crisis and that the Yugoslav people would tighten their belts, but that nevertheless outside aid was necessary in order to avoid the danger of such a drop in living standards as would constitute a threat to the internal security of the state and would increase the chances that the Soviets could make trouble for Yugoslavia. Accordingly the Yugoslav Government had taken the decision to appeal to the US for a grant. Mr. Kardelj said that the need was in the neighborhood of $100 million, $55 million to $60 million for food and the remainder for raw materials which would ordinarily have been paid for with agriculutral exports which now could not be made. Import of these raw materials, he said, was necessary as well as imports of food in order to prevent too great a burden on the Yugoslav people. Mr. Kardelj said that Ambassador Popovic was ready to present the formal written request tomorrow and hoped that I would receive him for that purpose.[2]

Mr. Kardelj went on to mention the Yugoslav Five-Year Plan and the general economic situation. He said when the plan was adopted in 1947 the difficulties which had been encountered since the break with the USSR, principally the demands of defense and the reorientation of foreign trade, naturally were not foreseen, and that consequently the present situation presented great problems. The Yugoslav Government had made certain modifications of the plan to

[1] Foreign Minister Kardelj was in the United States as the Chairman of the Yugoslav Delegation to the Fifth General Assembly of the United Nations.

[2] Ambassador Popović called on Secretary of State Acheson on October 20 to present a note of that date formally requesting United States assistance for drought relief. The Yugoslav note indicated that despite all Yugoslav Government efforts and the extreme limitation of consumption, there remained a loss amounting to $105 million that could be covered solely by extraordinary assistance from abroad. For the text of Ambassador Popović's note, see *Yugoslav Emergency Food Assistance Program*, p. 7.

meet the new conditions, for example by extending the five-year period to six years. However considerable outside assistance would still be necessary. He said that it was essential that the Yugoslav Government go ahead with the plan both for economic and political reasons. It was important not to give substance to the Soviet propaganda theme that Yugoslavia could not succeed in its economic plans after breaking with Moscow. There was the additional factor that the projects had already been started and could not be abandoned. The Yugoslav Government had estimated the amount needed in loans and had so informed the US Government and the World Bank. Mr. Kardelj hoped that the US Government, directly or by using its influence with the World Bank, could take the necessary steps so that these loans could be granted.

I said first that I would be glad to see Ambassador Popovic tomorrow to receive the formal Yugoslav request for a grant. I then said that I wished to speak absolutely frankly and clearly on these subjects so that there would be no misunderstanding. As to food I said that we fully understood Yugoslavia's critical situation and were giving urgent consideration to what we could do. I mentioned that US and Yugoslav officials were already in touch with each other in discussing the figures and the technical aspects of the problem. The big difficulty, I said, was the fact that there were no available funds. The Congress was the appropriate body to deal with such a request for grant aid. However, since Congress was not in session and since the need was urgent, the US Government was looking at all possible alternatives in order to provide some food assistance to Yugoslavia immediately.[3] I said that on this question we wished to be helpful and would do all that we possibly could. I mentioned that the Yugoslavs also could do something to help by taking such steps, such as promptly providing information, as were necessary to meet the requirements of US laws, even if those requirements might seem to them foolish.

As to the request for money for raw materials, I said that we had been devoting our principal attention to the food question and that I was not sufficiently informed on the raw material request to be able to discuss it. I said that this was something which would have to be dealt with by the Congress if only for the conclusive reason that no money would be available anywhere else. I mentioned that any request to Congress would bring about a public debate and a discussion of the

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[3] In a memorandum of October 20 to Assistant Secretary of State for Economic Affairs Thorp, not printed, Secretary of State Acheson stated that at the Cabinet meeting that morning he had mentioned the matter of needed Congressional action to provide funds for Yugoslavia. The Secretary apparently explained in general to the Cabinet what was being done to aid Yugoslavia as an emergency matter, subject to Presidential action. President Truman agreed that aid to Yugoslavia was an urgent matter which should be dealt with by a special session of Congress (Secretary's Memoranda, Lot 53 D 444, Secretary's Memoranda—October 1950).

Yugoslav Government's policies. Accordingly, the Yugoslav Government would help its own cause by putting relations with the US and with Yugoslavia's Western neighbors on the best possible basis.

Turning to the question of loans I reminded Mr. Kardelj that I had spoken to him last year of some of the limitations in this regard and mentioned that Ambassador Allen had recently done likewise in a conversation with Marshal Tito.[4] I said that we considered the Yugoslav economic development program to be too ambitious in that the requirements for foreign aid came to more than the Yugoslav economy could undertake. I said we did not feel that Yugoslavia would be able to service and amortize loans in the amount of $400 million, and that I believed Mr. Black felt likewise.

Mr. Kardelj said that he felt the US Government and the World Bank tended to consider Yugoslav requests too narrowly and only in economic terms. He believed that Yugoslavia could meet the payments on the loans requested if they were granted immediately and on a long-term basis, but even if there were some doubt about that, he continued, it was necessary to consider the political aspects. Yugoslavia, in keeping itself strong and defending its independence, was making a contribution to world peace and to the interests of other nations including the US. The USSR was engaged in building up the military strength of its satellites. To meet this threat, Mr. Kardelj continued, Yugoslavia had to remain strong militarily and economically. He said that the Yugoslav Government believed it wise not to request arms aid from the US in peacetime, since this was just the sort of move which the Soviets were looking for and would capitalize on in their propaganda. That decision meant that Yugoslavia had to use its own limited resources for building its defenses. Thus, while its request for outside aid had been put on the basis of economic needs, the defense needs were also a real factor in the picture.

I told Mr. Kardelj that I wished to make it clear that I agreed with what he said regarding the political importance of Yugoslavia's determination to defend its independence. I said that there was no tendency on our part to minimize that factor. However, it was necessary to understand clearly the limitations on the granting of loans, and it was loans that we were talking about. The Banks in question, the World Bank and the Exim Bank, had to look at loan requests in terms of the possibilities of servicing and repayment. The Yugoslav Government should keep that clearly in mind. I suggested that they might better serve their own interests by reducing their total request to a point where a start could be made on financing their economy rather than by insisting on too high figures without result. It was better to do what was possible rather than to discuss indefinitely proposals that were impossible.

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[4] See telegram 365, October 13, from Belgrade, p. 1469.

Mr. Kardelj wondered whether there might be some other sources of assistance in addition to the banks in question. He suggested that the Yugoslav Government might discuss with the Department what might be done, possibly through a grant if loans were not possible. I said that of course we would be ready to discuss any request they made, but that the question of a grant would present many difficulties; in any case it was something which would be up to Congress, the only place the money could come from.

Mr. Kardelj then referred to my earlier mention of Yugoslavia's relations with neighboring countries, asking whether I had anything particular in mind. I referred, as an example, to the question of opening the railway from Salonika, which was of obvious interest to Yugoslavia.[5] I said that such a development might more easily be accomplished if Yugoslavia was able to create a better atmosphere and more normal relations with Greece. Mr. Kardelj agreed that the opening of the railway was a matter of great importance. He said that Yugoslavia was ready to go ahead with it but that in every case it was the Greeks who were placing obstacles in the way of normal relations. I replied that it was rare in such cases that all the fault was on one side. I mentioned that the raising of the issue of minorities in Greece did not help matters, that this was the kind of question which could be left aside for the present. He said that Yugoslavia had raised this question only once when it was necessary for reasons involving public opinion since this was an issue on which the Cominform was making anti-Yugoslav propaganda; moreover Yugoslavia had not raised this matter as a condition precedent for the exchange of ministers and normalization of relations.

I commented that Yugoslavia's relations with Italy seemed to have improved recently. He agreed that there had been improvement in some fields although there were still major unsolved problems. He said that if some of the other outstanding questions could be settled in a spirit of cooperation it might then be possible to deal with these major differences.

At the close of the conversation I told Mr. Kardelj that because of my respect for him and because I thought that frank and straightforward speaking was desirable to clarify matters, I had spoken very

[5] Telegram 1301, October 20, to Athens, repeated as 285 to Belgrade, not printed, suggested that the Greek Foreign Ministry be informally sounded out as to the possibility of early Greek cooperation with Yugoslavia in taking the necessary measures to reopen promptly the Salonika–Djevdjelija railroad as a route for the shipment of food supplies to Yugoslavia. It was to be made clear to the Yugoslav Government that the current press polemics over the Macedonian issue were anything but helpful to the Yugoslav interest in such matters as the Salonika rail route. It was hoped that both the Greek and the Yugoslav Governments could be persuaded to play down "public drumbeating" on the Macedonian issue and realize that common action on such matters as the Salonika route clearly served important interests for both countries (868.03/10–1750).

sincerely and openly with him and hoped that such an approach would provide a firm basis for further dealing with these problems. He said that he appreciated my attitude and also considered frankness and plain speaking the best possible basis for the continuing improvement of relations between the two countries, despite the differences in political and social systems, which the Yugoslav Government hoped to bring about.

We agreed that, in reply to questions from the press concerning this talk, Mr. Kardelj might say that we had covered a wide range of problems in Yugoslav-American relations and that, as might be expected, the question of the drought in Yugoslavia was prominent among the subjects discussed.

DEAN ACHESON

033.1100/10-2350 : Telegram

The Ambassador in Yugoslavia (Allen) to the Secretary of State

SECRET PRIORITY BELGRADE, October 23, 1950—9 p. m.

396. Congressmen Fisher,[1] Battle,[2] and Chatham[3] had very satisfactory conference with Tito October 21.

By way of introduction I pointed out that if Yugoslavia's request for aid is presented to Congress, these three members would probably be only ones who would have seen drought conditions in Yugoslavia and that their report to Congress would therefore be of great importance.

Tito reviewed Yugoslavia's needs for food, and said request for our aid was based on military and political as well as humanitarian grounds. Strong Yugoslavia would deter attack and therefore contribute to peace. Failure of Yugoslavia to obtain assistance from US would be political victory for Moscow.

While Chatham was most outspoken, each Congressman in turn indicated to Tito that he would support request if presented to Congress.

Battle then said that on his return to US he would be asked frequently whether Yugoslav Government was likely to "go back to Russia". Tito, who understood importance of question before Deputy Foreign Minister Mates began translation, broke into hearty laugh which Congressmen regarded as genuine and convincing. Tito said Yugoslavia would never surrender its independence again. Reconcilia-

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[1] O. Clark Fisher, Democratic Congressman from Texas; member of the House Armed Services Committee.

[2] Laurie C. Battle, Democratic Congressman from Alabama; member of the House Foreign Affairs Committee.

[3] Thurmond Chatham, Democratic Congressman from North Carolina; member of the House Foreign Affairs Committee.

tion depended entirely on Soviet Union. If USSR turned about face and began to cooperate with UN, Yugoslavia stood as ready as US, UK or any other member of UN to welcome such a change, but no more so.

Fisher then asked why Tito thought USSR had not attacked Yugoslavia. Tito gave three reasons: First, because USSR could find no excuse which would carry conviction among that section of world opinion on which USSR depended for support; second, because Yugoslavia had strong Army and could continue fighting "for some months, while world opinion is being mobilized and aid received", and third, because Soviet attack would undoubtedly bring on world war, which Soviets did not want. Tito said that UN had fortunately demonstrated in Korea that united action could be mobilized promptly. He added that in next major war, every country would become involved.

Referring to that last statement, Fisher asked what action Yugoslavia would take in case of Soviet aggression in Europe but which did not involve Yugoslavia directly. Tito said Yugoslavia would carry out its UN responsibilities loyally and fully.

I remarked at this point that Marshal's statement was highly significant and that I wished to be certain that I had understood him correctly. Did he mean to say that there would be no neutrals during next war? After slight reflection, Tito said that action of UN in Korea had shown that whole world was now concerned by aggression anywhere. In response to question, he said that in case of attack against Yugoslavia, he would appeal to UN immediately, "without moments hesitation".

Chatham then remarked that US was anxious to build up forces in Europe, including stores of military equipment, to resist any Soviet attack. He said that as far as he personally was concerned, Yugoslavia was best strategic location in Europe to be strengthened militarily. He said he thought Yugoslavia in order to make any effective resistance to Soviet attack, must have tactical air force, which today meant jet planes. He said US was training jet pilots from various European countries and wondered why Tito did not send some fliers to US to be trained, perhaps under guise of commercial jet pilots.

Before Mates translated this question I hastened to point out that the Congressman's reference to military aid was solely on his own responsibility. Tito remarked with a laugh that Congressman was probably embarrassing me. I said I was glad for Congressmen to ask any questions they wished but that there should be no misunderstanding regarding capacity in which they spoke.

Tito then gave standard reply, saying that his first consideration must always be the security of Yugoslavia and that he would not wish to give USSR any plausible grounds for attacking Yugoslavia on

claim that Yugoslavia had become spearhead for US aggression against USSR. He added, incidentally, that Yugoslav Government had been attempting to purchase few jets in Europe for some time, and implied some surprise at Congressman's reference to American jets when he could not even buy few old ones in Europe.

This was first time question of US military aid has been raised with Tito. While he rejected the suggestion, his reply was mild and I suspect that he was not displeased that conversation was turned in this direction by American side.[4]

Most significant statement during interview was Tito's remark that next world war would involve everyone. Following interview, I commented to Mates that Tito's statement ran counter to impression of most observers that Yugoslavia would remain neutral unless attacked. Mates, who himself was probably surprised at off-hand manner in which Tito had made statement of this importance, I referred again to Tito's statement about Yugoslavia's loyalty to UN.

Department pass Moscow; sent Department 396, repeated info Paris 50, London 31, Moscow 31.

ALLEN

[4] According to a memorandum of conversation by L. Randolph Higgs, Acting Deputy Director of the Office of Eastern European Affairs, October 11, not printed, Marshal Tito had already discussed the matter of military aid in September. In a brief corridor conversation with officers of the Department of State following a meeting with Assistant Secretary of State Perkins, IBRD President Black mentioned that during his visit to Belgrade in September, Marshal Tito had spoken of the conditions under which Yugoslavia would accept military supplies from the West. Tito told Black that Yugoslavia did not want to accept military supplies directly from the West currently but did want to stockpile such materiel in countries close by Yugoslavia to be made available to Yugoslavia immediately when the need arose (768.56/10–1150).

768.5/11–2450

Memorandum Prepared by the Department of State [1]

SECRET [WASHINGTON,] October 25, 1950.

YUGOSLAVIA

PROBLEM

To work out, under existing statutory authority, the means for financing emergency food exports to reach Yugoslavia prior to January 1, and therefore to be shipped from the United States prior to mid-November.

[1] Secretary of State Acheson discussed this paper with President Truman on October 26 and left a copy with him at that time; see the memorandum of telephone conversation by Barbara Evans, October 26, p. 1483. The paper was discussed further by the Secretary of State with President Truman and other officials following the Cabinet meeting of October 27; see the memorandum by the Secretary of State, October 27, p. 1484.

DISCUSSION

The potential apparent sources of funds are principally the ECA, the Commodity Credit Corporation, the Export-Import Bank, the Mutual Defense Assistance Program, and the Department of Defense.

The whole of the emergency food program for Yugoslavia could theoretically be undertaken either through MDAP or ECA. However, in the case of MDAP this would require especially that Yugoslavia agree to sign a bilateral agreement with the U.S. on MDAP. Ambassador Allen has stated that we have about a fifty-fifty chance of getting the Yugoslav Government to sign an MDAP bilateral [2] and the matter is now being explored on a tentative basis with Yugoslav officials. In the case of ECA, Yugoslavia would have to agree to sign a bilateral agreement under the Economic Cooperation Act and to apply for membership in OEEC and be accepted by the other members.

Tito has stated quite definitely within recent weeks that it would be impossible for him, for internal political reasons, to participate directly in ERP. Yugoslav participation would be equally undesirable from a U.S. policy point of view, not to speak of the improbability that the membership of OEEC could be induced to accept communist Yugoslavia into the group. The U.S. is endeavoring to make short-term emergency food relief immediately available to Yugoslavia in the present crisis for both strategic defensive and political reasons. It is not our policy to provide communist Yugoslavia with the longer-term general economic and military assistance of the type being made available to democracies of Western Europe. Our policy is simply to provide Yugoslavia with such assistance as is required to protect our political and strategic interests in the area. In any event, even on the unrealistic hypothesis that Yugoslavia would accept it and the OEEC countries were willing, the required procedures for adherence to the ERP are too time-consuming to meet the urgent need for immediate food shipments to Yugoslavia.

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[2] Telegram 282, October 19, to Belgrade, not printed, explained that in connection with the efforts within the United States Government to obtain the necessary funds for emergency food aid for Yugoslavia prior to Congressional action, it might prove essential to use funds appropriated for the Mutual Defense Assistance Program. The use of such funds would require a bilateral agreement with Yugoslavia. The draft text of such an agreement was transmitted, and Ambassador Allen was asked urgently to report whether such an agreement would be acceptable to the Yugoslav Government (868.03/10–1950). In his telegram 394, October 23, from Belgrade, not printed, Allen replied that the approach proposed by the Department of State had no better than a 50 percent chance of success, but he felt the plan was worth attempting (868.03/10–2350). Telegram 301, October 25, to Belgrade, not printed, authorized Allen to make a discreet approach to the Yugoslav Government regarding the MDAP formula for emergency food assistance. Allen was to make clear the proposal was tentative and pending consultation with member governments of the North Atlantic Treaty Organization (868.03/10–2550).

As Yugoslav intentions on MDAP remain uncertain, it has seemed advisable to explore means in case Yugoslavia is not willing at this time to negotiate the MDAP bilateral, and various possible combinations have therefore been discussed whereby several agencies would contribute to the solving of the entire problem.

The technical discussions among the various Agencies have not yet brought about the measure of agreement on feasible means necessary to take care of the entire emergency food program. The positive conclusions thus far reached and the points of difference that remain to be resolved are discussed below.

Total Yugoslav requirements for 10 items of foodstuffs necessary to reach Yugoslavia prior to January 1, 1951 aggregate approximately 400,000 metric tons with an approximate dollar value, inclusive of freight, of $31 million, as shown in attached Table 1.[3] The discussions to date disclose that it is technically feasible for ECA to finance Yugoslavia's total requirements in wheat, and it is possible for Eximbank to finance Yugoslav emergency needs in barley, corn, beans, dried milk, dried eggs, and meat as well as dollar freight. It has not been possible to reach agreement regarding the financing of the remaining part of the program calling for actual disbursement of dollars in an amount of some $10 million, and comprising principally the purchase of 100,000 tons of potatoes, or the equivalent in food value of other products, and the purchase of 20,000 tons of sugar valued at $2.7 million and 15,000 tons of lard valued at $5 million.

It is necessary to explain at this point in some detail the character of the transactions involved in providing relief to Yugoslavia and the limitations on the nature of the proposed aid of each Agency participating in the program.

[Here follows a detailed review of the possible forms of food relief for Yugoslavia that might be provided through the Economic Cooperation Administration, the Export-Import Bank of Washington, and the Department of Agriculture (and the Commodity Credit Corporation). There appeared to be no feasible method of using Mutual Defense Assistance Program funds other than on the basis of a bilateral agreement with Yugoslavia, but there appeared to be some possibility of undertaking some financing of Yugoslav requirements through the occupation authorities in Germany and perhaps Austria.]

[3] Not printed.

Editorial Note

The Tripartite (United States–United Kingdom–France) Committee on Military Assistance to Yugoslavia completed a paper on October 26, 1950 which set forth the requirements to be used for plan-

ning for peacetime and emergency military material assistance to Yugoslavia under a variety of possible situations. The paper was referred to the three governments for consideration. (768.5 MAP/10-2350) Copies of the paper were transmitted as enclosures to airgram A-696, November 3, 1950 to London; instruction 30, November 3, 1950 to Belgrade; and instruction 202, November 3, 1950 to Paris, for the information of those Embassies. The text of the paper could not be declassified in time to be included in this volume.

Regarding the establishment of the Tripartite Military Committee on Military Assistance to Yugoslavia, see the Department of State *aide-mémoire* of September 26, 1950 to the British Embassy, page 1457. The Committee appears to have met four times: October 2, 12, 23, and 25, 1950.

Secretary's Memoranda : Lot 53 D 444 : Secretary's Memoranda—October 1950

Memorandum of Telephone Conversation, by Miss Barbara Evans, Personal Assistant to the Secretary of State

TOP SECRET [WASHINGTON,] October 26, 1950.

Mr. Foster[1] telephoned the Secretary to express his concern over the way in which the matter of aid for Yugoslavia is turning out. Mr. Foster said he was afraid that ECA was going to be the single contributor to the program of aid, whereas at the meeting previously held in the Secretary's office on October 18,[2] it had seemed that the burden would be carried by several agencies.

The Secretary said he thought Mr. Foster was misinformed. The program, as he understood it, was that ECA would take care of 175,000 tons of wheat; the Ex-Im Bank will take care of barley and the freight to an amount of somewhat under $4,000,000. Agriculture has reduced its various prices to a point which does not strain them. "We" are ready to put in up to $4,000,000 a month to a total of $16,000,000 to take care of other items. This latter commitment depends upon whether Tito will sign a very much watered down agreement under MDAP, which Ambassador Allen thinks there is a 50-50 chance of his doing.[3] If Tito will not sign a military agreement, then the only thing that might be done would be to have Secretary Brannan[4] take care of these things from Section 32 funds.[5]

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[1] William C. Foster, Administrator of the Economic Cooperation Administration.

[2] No record has been found of the meeting under reference here.

[3] See footnote 2, p. 1481.

[4] Charles F. Brannan, Secretary of Agriculture.

[5] The reference here is to Section 32 of the Commodity Credit Corporation Charter Act of June 29, 1948; 62 Stat. 1070.

Mr. Foster said there was one point which had not been mentioned in connection with the possibility that some deal might be worked out to have flour shipped from Italy, and that was that our own millers, who are a powerful and vocal group, would object if they were not brought in to some extent. If it could be worked out in some way that they could do some of the milling, their objection might be minimized. The Secretary thought that this would depend on our getting some money from Congress, with which Mr. Foster agreed, suggesting that this be one of the points in asking for funds.

The Secretary told Mr. Foster that he had gone over the matter with the President today and had left the memorandum [6] with him and had asked how he wanted the question brought up. The President had suggested doing it at Cabinet meeting tomorrow, but Mr. Foster pointed out he would not be there. It was agreed that the Secretary would try to have the President call a meeting immediately following cabinet of the persons directly involved in the Yugoslav matter. (This he later did, and the meeting is set for 10:30 tomorrow, with the White House calling the people.[7])

Mr. Foster then said he was planning a trip to South East Asia before Congress got back, although if the rumor that they would be called back about November 15 were true, he would probably not be able to get back that soon. The Secretary agreed that it was a sound idea for him to go.

[6] The reference here is to the memorandum prepared by the Department of State, October 25, p. 1480.

[7] Regarding the meeting under reference here, see the memorandum by the Secretary of State, October 27, *infra*.

Secretary's Memoranda : Lot 53 D 444 : Secretary's Memoranda—October 1950

Memorandum by the Secretary of State

SECRET [WASHINGTON,] October 27, 1950.

FOOD FOR YUGOSLAVIA

Following the Cabinet meeting this morning, the President held a meeting attended by Secretary Snyder, Secretary Marshall,[1] Mr. Harriman, Mr. Foster, the Under Secretary of Agriculture,[2] Mr. Gaston of the Export-Import Bank, and Mr. Steelman.[3]

The President asked me to present the problem and the recommendations. This I did, following the memorandum of October 25.[4]

[1] George C. Marshall took office as Secretary of Defense on September 21, 1950.

[2] Albert J. Loveland.

[3] John R. Steelman, Assistant to the President.

[4] *Ante*, p. 1480.

After some discussion, the President directed that we should go ahead with recommendations 1 and 2 of Part A and recommendation 1 of Part B. In the event that paragraph 1 of Part B is not feasible because of the unwillingness of the Yugoslavs to sign a unilateral agreement under MDAP, we should proceed under recommendation 2 of Part B. It was his view that the Secretary of Agriculture could find a way to do this.

The President also directed that we prepare and submit to the Budget and to him as early as possible the recommended legislation to be presented to the November session of the Congress. In our talk it seemed to be the view of all that this legislation should reimburse the funds which were used under the emergency program as well as provide for the completion of the program. Mr. Harriman has some thoughts about these, and the proposals should be particularly cleared with him as well as with the other members of the group.

We are therefore in a position to proceed promptly and vigorously with both aspects of the Yugoslav program. I presume that this includes consultation with the Yugoslav Ambassador, consultation with Congressional leaders, and consideration of what should be said to the press next week.

D[EAN] A[CHESON]

601.5168/10–2750 : Telegram

The Ambassador in Yugoslavia (Allen) to the Secretary of State

SECRET PRIORITY BELGRADE, October 27, 1950—5 p. m.

413. Recently arrived French Ambassador Baudet [1] had his initial conversation with Tito this morning.

Smodlak, chief of protocol,[2] translated. Since Smodlak is non-Communist functionary from former Yugoslav diplomatic service, has no party connections, and has seldom if ever served as translator on occasion of this importance, French Counselor Epinat interprets his selection as indicating that Tito did not wish his remarks to Baudet to be reported to inner party circles. I am inclined to doubt this interpretation but pass it along as of some interest.

Baudet informs me that Tito spoke at length re Yugoslav needs for military assistance and asked for French help, on long-term credit basis. Tito said he would request only defensive weapons from abroad, mentioning specifically his immediate and urgent need for anti-aircraft guns. Tito said receipt of military equipment through third

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[1] French Ambassador Philippe Baudet presented his credentials in Belgrade on October 25, 1950.

[2] The reference here is to Dr. Sloven Smodlaka, Chief of Protocol in the Yugoslav Foreign Ministry.

country such as France rather than direct from US would avoid Soviet allegations that Yugoslavia had become spearhead for US aggression against USSR.

Baudet said that while he believed his government might be sympathetic, he must emphasize that French would take no action in this field except in closest cooperation with her North Atlantic Pact allies, specifically US. Baudet referred to remarkable industrial recovery of France which had resulted not only from American grants but also from mutual cooperation of all members of ECA and from exertions of French people. He emphasized benefits of mutual collaboration in economic field, with implication that similar benefits could result in other fields.

Baudet said that in view of Tito's reference to military needs, perhaps it might be desirable for French service attachés to establish somewhat closer liaison with Yugoslav general staff. Tito showed hesitation over reply but finally said he had no doubt question of type of supplies needed could be easily settled if principle of assistance could be agreed upon.

Baudet asked whether Tito wished him to repeat conversation to his American and British colleagues. Tito avoided direct reply but it seems evident that Tito desired to sound out US attitude in this indirect manner.[3]

Baudet has already shown himself to be highly valuable addition to diplomatic corps here. He has fresh approach which his predecessor had entirely lost.

Sent Department 413 repeated information Paris 53 London 33.

ALLEN

[3] In his telegram 416, October 28, from Belgrade, not printed, Ambassador Allen reported that Yugoslav Acting Foreign Minister Leo Mates had sent urgently for Ambassador Baudet that morning to explain that Marshal Tito wished it clearly understood that his remarks were "exploratory feelers" to be kept in the strictest secrecy and that no staff or lower echelon conversations were contemplated. Baudet was further informed that no reply to the feeler was expected. If a reply were desired, Baudet would be informed. The French Embassy, in analyzing the conversation, believed that Tito's concern may have resulted from a difference of opinion within the Yugoslav Politburo as to the wisdom of requesting Western military aid (601.5168/10-2850).

868.03/10-750 : Telegram

The Secretary of State to the Embassy in France

SECRET WASHINGTON, October 27, 1950—6 p. m.

2232. For past few weeks Dept has been in touch with Brit Govt on subj steps each might take to help meet current drought crisis

in Yugo. (For background see *Current For Rel* Oct 18 [1]). Subj was discussed at mtg here Oct 24 attended by reps of Fr and Can Embs as well as Brit. When asked whether Fr Govt intended do anything which wld contribute to getting Yugo through difficult period of next few months, Fr rep said he had no instrs on matter and knew of no contemplated measures of aid to Yugo. He believed Fr position on credits or other aid to Yugo still governed by failure Yugos to reach agreement with Fr on nationalization and debt claims.

Brit inform us that they have already approached Fr Govt on subj cooperation in dealing with Yugo drought crisis, and they now have asked Dept to associate itself with renewed approach asking Fr what they can do to help.

Accordingly suggest you take early occasion to mention to FonOff subj of Yugo's extraordinary needs owing to drought, on which we assume Fr Emb Belgrade has reported to Paris (see Belgrade's 334 Oct 7 rptd Paris 41 [2]). You shld (1) refer to discussion by 3 FonMins in NY Sept 18 on situation resulting from drought and need for certain measures of econ assistance to Yugo as means strengthening Yugo efforts to maintain independence in face Sov pressures; [3] (2) state that US exploring all means under existing authority with purpose meeting in so far as possible Yugo need for shipment approx $30 million worth food before Jan 1; (3) indicate your understanding UK prepared to extend further credits to Yugo for food and consumer goods; and (4) inquire whether Fr Govt can see way clear to sharing burden which must be taken up by Western powers if they are not to risk recapture Yugo by Sov bloc.

Fr Emb here has been informed US Govt is exploring possibilities grant aid under existing leg, as through use of MDAP and/or ECA funds, but no decision yet on just how it will be done. FYI Brit contemplate credit five million pounds to Yugo. Suggest you coordinate with Brit Emb before approaching FonOff. We have informed Brit Emb Wash that you have been instrd to raise subj with Fr on above lines.[4]

ACHESON

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[1] *Current Foreign Relations* was a classified, weekly review of major foreign policy events and issues. It was prepared by the Policy Information Committee of the Department of State and was circulated within the Department and to posts abroad.

[2] Not printed.

[3] Regarding the tripartite meeting of Foreign Ministers in New York, September 12–18, see the editorial note, p. 1447.

[4] Telegram 2452, November 3, from Paris, not printed, reported that officers of the American and British Embassies had discussed with French Foreign Ministry officials the question of emergency assistance to Yugoslavia. The French were fully informed of the steps being taken by the American and British Governments but had no specific plans of their own in the same direction (868.03/11–350).

868.03/10-3150 : Telegram

The Ambassador in Yugoslavia (Allen) to the Secretary of State

SECRET NIACT BELGRADE, October 31, 1950—1 p. m.

422. Deptel 282, October 19, 301, October 25, 303, October 25 and 307, October 27.[1] I have just returned from fully satisfactory conversation with Tito concerning agreement for use of MDAP funds for food assistance.

Emphasizing that conversation was exploratory on part of both governments, I said that in order to obtain funds for assistance prior to Congressional action, it might be necessary to use money already appropriated for overseas military aid. In order to utilize these funds, American Government required certain undertakings on the part of Yugoslavia. I then read to the Marshal the verbatim text of the proposed agreement as quoted in Deptel 282.

I pointed out that only a part of total funds would come from MDAP, that contemplated agreement would be bilateral, and that it included no political conditions. At same time, I said that food from MDAP funds would have to be designated for troops and the source of the funds could not be disguised.

Advantages to Yugoslavia from suggested arrangement, I thought, were: (1) It would make possible prompt action prior to opening of Congress, (2) it would enable the President and Congress to demonstrate to the American people that we were getting something in return for our money, and (3) the agreement might lay the groundwork for prompt and effective assistance to Yugoslavia, through UN action, in case Yugoslavia should find it necessary in the future to request other type of assistance. I emphasized that the third consideration was entirely my own suggestion, but that if, God forbid, a second Korea should happen here, it might be found that an important preliminary step toward assistance had already been taken if the proposed agreement were in effect.

Tito said that while an agreement of this type would naturally require study, he did not hesitate to say that his preliminary reaction was entirely favorable. He volunteered the thought that the agreement would be advantageous to Yugoslavia inasmuch as it would enable the Yugoslavs to show that they were reciprocating, within their possibilities, for any aid received and were therefore not merely accepting hand-outs.

I said the Marshal's reaction was what I expected. I expressed confidence that he would also be prepared for the inevitable propaganda blasts from Radio Moscow, based on the fact that funds in question had been appropriated by Congress in the same legislation as that which provided funds to implement North Atlantic Pact.

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[1] None printed, but see footnote 2, p. 1481.

Tito said Radio Moscow would "make a lot of noise anyway" and that Moscow could say nothing more than it had already said against Yugoslavia or which could further increase the absolute distrust which Yugoslavia already felt for the USSR and her satellites.

Tito asked how soon he could have a text of the suggested agreement to study. I said I hoped within a day or two. I repeated that our own thinking in the matter was tentative but that I knew that Washington was anxious to clear up this point as soon as possible.

As the conversation developed, I did not feel that I was having to sell Tito anything. His only adverse remarks was a jocular interjection when I read the sentence in the preamble to the agreement regarding individual and collective self-defense. He asked, with a smile, whether the sentence indicated any question in the minds of Washington that Yugoslavia might not defend itself. I said that proof to the contrary was found in the agreement itself, in which we also asked Yugoslavia to assist in our defense.

While Tito will possibly have to answer question in the Politburo, I feel confident that agreement can be reached and believe we should propose it immediately.

If specific reference to PL 329 is included in text, Yugoslavs will undoubtedly find it necessary to translate and study entire legislation, as amended, to be certain of their commitments. Inevitable delays will result. I made it plain what the legislation was, and could refer to it in transmittal note if desired, but I believe we would save time and trouble by omitting reference from formal agreement.

ALLEN

868.00/10-3150

Memorandum of Conversation, by the Acting Deputy Director of the Office of Eastern European Affairs (Higgs)

CONFIDENTIAL [WASHINGTON,] October 31, 1950.

Participants: Mr. W. D. Matthews, Minister, Canadian Embassy
Mr. B. A. Wallis, Second Secretary
EE—Mr. Higgs
EE—Mr. Truesdell

Mr. Matthews called at his request and referring to the request of the United States on October 24, 1950[1] presented the position of the Canadian Government as to participation in a program of emergency assistance to Yugoslavia.

He said that Foreign Minister Pearson had considered the various elements of the problem and come to the conclusion that it would be

[1] The American request under reference here was made during the October 24 meeting of American, British, French, and Canadian representatives referred to in telegram 2232, October 27, to Paris, p. 1486.

impossible at the present time to obtain approval of the Canadian Government of any gift or loan to Yugoslavia. Mr. Matthews explained that as a wheat producing country with limited means Canada would not be well advised to participate in this program since it would set a precedent with respect to providing relief to any needy country the world over. He said, however, that it was his personal opinion that the Canadian Government could join in assistance to Yugoslavia if Canada were a member of a group such as an organ of the United Nations. He said that the matter had not been put to the cabinet in view of these overriding considerations.

Mr. Higgs suggested that should the Yugoslav Government sign a MDAP bilateral agreement and the matter be placed before the NATO it might be possible for Canada to participate through that mechanism. Mr. Matthews stated that should a larger group of nations join in assisting the Yugoslavs he was sure the Canadian Government would reconsider. He pointed out that Canada was a small nation and that its contributions of this character had to be limited to a very small field. He said that the United States was much better qualified, especially in the practical sense to handle a matter such as this. For the immediate future, therefore, Mr. Matthews stated that Canada should not be considered a member of the group planning assistance to Yugoslavia but that the Canadian Government would appreciate any information on the situation as it develops. Mr. Higgs agreed to provide information to the Canadian Embassy and stated that any information which the Canadian Government could furnish also would be appreciated. He mentioned in particular the cooperation of the Canadian Mission in Belgrade. Mr. Matthews stated that this Mission consisted of two officers and a Service Attaché who were at the present time more than fully occupied with current business.

Mr. Matthews again reviewed the Canadian position emphasizing that Canadian participation in relief programs such as that for Yugoslavia would result in that small country going beyond its means. Mr. Higgs mentioned in passing the problem faced by the United States Government in view of the needs of India and other countries similarly situated. Mr. Wallis agreed to call at the Department from time to time to furnish any information which might be of interest to the United States and to obtain such information as might be of general interest to his government.

L. Randolph Higgs

868.00/10-3150

The Secretary of State to Senator Tom Connally [1]

SECRET [WASHINGTON,] October 31, 1950.

MY DEAR SENATOR CONNALLY: As you know, it is our policy toward Yugoslavia to give Marshal Tito such support as we judge necessary for the protection of our strategic and political interests in that area. This policy is based upon the conclusions that (1) Tito's defection from Kremlin control represents the first setback to Soviet imperialism and as such is an important political symbol; and (2) Tito controls the largest fighting force in Europe except the Soviet Union and that these forces constitute an important element in the defense of Western Europe against Soviet aggression.

Unfortunately, Yugoslavia this past summer has suffered perhaps the worst drought in its history. Ordinarily Yugoslavia is a substantial exporter of agricultural products to other countries of Western Europe, in return for which Yugoslavia receives raw materials, consumer goods and industrial equipment. The situation as it now appears is that not only will Yugoslavia be unable to export agricultural products to Western Europe but, even more importantly, will be unable from its own production to feed its own population this coming winter.

The prospects are that if remedial measures are not begun immediately, Tito's ability to control subversive elements in Yugoslavia will be seriously, if not fatally, undermined and the ability of the Yugoslav military forces to withstand an attack by the USSR or its satellites, or both, would be dangerously weakened.

General Marshall has informed me of his great concern, from a military point of view, over this situation and has urged us to find ways and means to extend necessary assistance to Tito without delay.[2] We are obviously handicapped in taking prompt action to obtain necessary legislation while Congress is not in session, but the President has decided that we should prepare legislation for presentation to Congress when it reconvenes for the forthcoming short session. How-

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[1] Tom Connally, Democratic Senator from Texas, was Chairman of the Senate Foreign Relations Committee. Identical letters were addressed on October 31 to Millard E. Tydings, Democratic Senator from Maryland, member of the Senate Foreign Relations Committee and Chairman of the Senate Armed Forces Committee; to John Kee, Democratic Congressman from West Virginia and Chairman of the House Foreign Affairs Committee; and to Charles A. Eaton, Republican Congressman from New Jersey and ranking minority member of the House Foreign Affairs Committee. On November 3 an identical letter was addressed to Alexander Wiley, Republican Senator from Wisconsin and leader of the minority party on the Senate Foreign Relations Committee.

[2] Secretary of Defense Marshall expressed his concern over the situation in Yugoslavia as early as October 5 during a conversation with Secretary Acheson, Secretary of the Treasury Snyder, Ambassador Harriman, ECA Administrator Foster, and others (memorandum of conversation by Nitze, October 5; 868.03/10-550).

ever, even if Congress acts favorably upon this legislation with a minimum of delay, it would still be impossible, in view of transportation difficulties in Yugoslavia during the winter, to implement such a program as Congress may approve in time to prevent widespread suffering and possible disorders in some areas of Yugoslavia. Accordingly, it appears imperative that we explore every existing possibility of meeting this situation immediately pending possible specific Congressional action. This we are now doing. The difficulty is, as you of course know, that there is no general foreign aid legislation passed by Congress with Yugoslavia in mind.

There is a possibility, however, through the Mutual Defense Assistance Act, the Economic Cooperation Act, the Export-Import Bank and the Commodity Credit Corporation, or combinations thereof, of getting emergency assistance to Yugoslavia, and we are exploring these expedients energetically.

Incidentally, you may be interested to know that, from what the Department has learned of their reactions, those Members of Congress who have visited Yugoslavia this summer appear to favor a program of aid and assistance to Yugoslavia to overcome the acute situation brought about by the drought.

No final determination has yet been made on the amount necessary to accomplish our purpose. Discussions with Yugoslav representatives are now in process. It is for these reasons, and because of the statements in the first paragraph, that this communication has been classified "secret".

As soon as we believe we have found any means, in existing authorizations, to begin a relief program for Yugoslavia you will, of course, be informed. I thought that meanwhile you would wish to be informed of the problem and the direction of our efforts to find a solution. I would appreciate any suggestions you may wish to make.

Sincerely yours, DEAN ACHESON

668.67/11–150 : Telegram

The Ambassador in Yugoslavia (Allen) to the Secretary of State

CONFIDENTIAL BELGRADE, November 1, 1950—3 p. m.

434. I have just pressed Acting FonMin Mates on subject of Athens 18, Oct 24, sent Dept as 1381,[1] which reached me only last night.

[1] Not printed. It reported that the Ambassador in Greece, John E. Peurifoy, had a long conversation that morning with Greek Prime Minister Sophocles Venizelos regarding the advantages to Greece of the resumption of normal relations with Yugoslavia. Venizelos explained that on balance he would be willing not only to bring about an immediate exchange of ministers with Yugoslavia but also to press for real improvement in the economic relations between

Mates said that while he was unable to give me assurances on basis of formal decision of YuGov, he nevertheless expressed personal confidence that the 100 or so GNA soldiers in question could be returned to Greece "very shortly and perhaps within few days." He expressed pleasure at result of conversation between Amb Peurifoy and Prime Min Venizelos and said he hoped this development would lead to further normalization of political and economic relations with Greece. He referred particularly to reopening of rail communications.

I expressed my own pleasure at this development, but added that I would keep fingers crossed since there had been so many false alarms in this matter. He said only thing he could envisage which might interrupt progress would be any further unfortunate public statements by officials in either country. He cited current "extraordinary" efforts by Yugo to solve question of Greek children as evidence of Yugo desire to improve relations.

In order for any substantial or long-range improvement in Greek-Yugo relations to take place, I believe it preferable for this development to appear as result of direct negotiations and not from any US intervention in Belgrade.[2]

Sent Department 434, repeated Athens 37.

ALLEN

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the two countries. Before he could undertake these measures, Venizelos felt that Yugoslavia must return at least 80 Greek soldiers captured by the Greek rebels and taken to Yugoslavia in 1948 and 1949 (668.81/10–2450). Telegram 310, October 27, to Belgrade, not printed, suggested that Ambassador Allen inform the Yugoslav Government of the views expressed by Venizelos to Peurifoy and leave it to the Yugoslavs to pursue the matter directly with Greece (668.10/10–2450).

[2] Telegram 436, November 2, from Belgrade, not printed, reported that Yugoslav Acting Foreign Minister Mates had informed Ambassador Allen that the Yugoslav Government would notify Greek authorities that Yugoslavia was prepared to return to Greece all Greek National Army soldiers in Yugoslavia who wished to return (668.81/11–250). Fifty-seven Greek soldiers were returned to Greece by Yugoslav authorities on November 8. Telegram 1593, November 14, from Athens, not printed, reported having been informed by Prime Minister Venizelos that Greece was willing to exchange ministers with Yugoslavia and reestablish full diplomatic relations (601.8168/11–1450). Direct negotiations between Yugoslavia and Greece followed, and on November 28 Venizelos announced that the establishment of full diplomatic relations with Yugoslavia and the exchange of ministers between the two countries had been agreed upon. A similar Yugoslav announcement followed. Radoš Jovanović, former Yugoslav Deputy Foreign Minister, was named Yugoslav Minister in Greece, and Spiros Capetanides, former Chief of the American Section of the Greek Foreign Ministry, was named Greek Minister in Yugoslavia. Jovanović and Capetanides arrived at their respective posts in late December 1950.

500-421—80——95

868.03/11-150 : Telegram

The Secretary of State to the Embassy in Yugoslavia

CONFIDENTIAL WASHINGTON, November 1, 1950—7 p. m.

323. Secy today handed Popovic fol reply his note Oct 20 [1]:

"The Govt of the US has carefully studied the available info regarding the consequences of the drought and wishes to inform you of its desire to extend assistance to the Yugo people in the present emergency.

"The Govt of the US recognizes the importance of commencing food shipments this month and of having minimum stocks available in Yugo by the end of the year in order to prevent human suffering during the coming winter. I am pleased to inform you that the Govt of the US is prepared to take measures which are immed available to provide foodstuffs for this purpose. It is understood that the Govts of the US and of Yugo will agree promptly on appropriate arrangements covering matters such as supply and transportation, equitable distribution of the foodstuffs to the population of Yugo, and public awareness of this assistance."

Secy indicated that shortly Dept wld be in touch with Yugo Emb re details and methods for providing food which involve several agencies US Govt. Secy also indicated in addition this stop-gap program Congress when it reconvenes will be requested for funds with which continue program. When Popovic asked in what manner Yugo Govt cld contribute smoothing way for favorable Congressional action Secy replied Dept wld consider this helpful suggestion and discuss it with Amb later.

ACHESON

[1] Regarding the Yugoslav note under reference here, see footnote 2, p. 1474.

768.5-MAP/11-350 : Circular telegram

The Secretary of State to Certain Diplomatic Offices [1]

SECRET PRIORITY WASHINGTON, November 3, 1950—4 p. m.

Tomap 114. Dept at present attempting carry out urgent interim food aid program for Yugo. In order make shipments necessary to meet urgent Yugo needs which cannot await action by Congress it has been found necessary to consider all possible sources funds, including MDAP. Since MDAP law requires consultation with other NAT govts prior to use of MDAP funds for Yugo, Dept desires earliest possible indication views these govts. Accordingly you shld approach FonOff in fol gen sense leaving *aide-mémoire:*

[1] This telegram was sent to the Embassies in London, Paris, Rome, The Hague, Ottawa, Oslo, Copenhagen, Brussels (also for Luxembourg), Lisbon, and Reykjavik and was repeated to the Embassy in Belgrade for information.

US Govt for past few weeks has been gravely concerned over possible consequences of severe drought in Yugo and has decided to provide assistance to Yugo in mtg critical food shortage which has arisen. This decision has been taken by US Govt both for purpose of preventing famine and for important strategic and security considerations. We believe that (*blank*) Govt will concur in our view that Yugo's ability to continue as an independent nation, strongly opposing Sov attempts to overthrow the present govt and establish a subservient regime in that country, is of greatest importance for security of Western Europe and of whole North Atlantic area. On these gen grounds US has, along with other North Atlantic nations, followed for some time a policy of providing econ support to Yugo in order enable that country maintain its independence and withstand the pressures which have been exerted upon it by USSR and its satellites. The present drought carries with it the threat of polit instability and possible weakening of capacity of Yugo nation to hold firm against outside pressures. It places in jeopardy the objectives referred to above and therefore, in US view, has created an extraordinary situation requiring additional aid from the West. In these circumstances US Govt has taken the decision to make available to Yugo food on a grant basis. US Govt wld be interested in knowing whether (*blank*) Govt feels able make a contribution of its own to meet this problem affecting interests of all NAT nations.

US Govt has found it necessary look to all possible sources funds to meet urgent Yugo needs for food.

Among the measures being considered is the supply of assistance in aid of food requirements of armed forces of Yugo, under auth MDAA of 1949, as amended. Pursuant to terms sec 408(*c*) that Act, which reads as follows:

> "408(*c*). Whenever he determines that such action is essential for the effective carrying out of the purposes of this Act, the Pres may from time to time utilize not to exceed in the aggregate 10 per centum of the funds and contract auth made available for the purposes of any title of this Act for the purposes of any other title, or in the event of a development seriously affecting the security of the North Atlantic area for the purpose of providing mil assistance to any other European nation whose strategic location makes it of direct importance to the defense of the North Atlantic area and whose immed increased ability to defend itself, the Pres, after consultation with the govts of the other nations which are members of the North Atlantic Treaty, finds contributes to the preservation of the peace and security of the North Atlantic area and is vital to the security of the United States. Whenever the Pres makes any such determination he shall forthwith notify the Comite on Fon Relations of the Senate, the Comites on Armed Services of the Senate and of the House of Reps, and the Comite on Fon Affairs of the House of Reps."

I am instructed by Pres US to ask views Govt of (*blank*) whether the immed increased ability of Yugo to defend itself will contribute to preservation of peace and security of North Atlantic area, keeping in mind direct importance to defense North Atlantic area of strategic location of Yugo, and serious effect on security North At-

lantic area resulting from drought in Yugo because of its consequent effect on ability Yugo Govt supply food requirements of its armed forces. End of *aide-mémoire.*

Since govts (except Canada and Iceland) may be concerned over effect on MDA programs for them, if and when, in your judgment it becomes appropriate, you may advise Govt of (*blank*) that while funds used will be portion of those appropriated to carry out purposes MDAA, this fact will not appreciably affect rate of deliveries or quantities material provided under MDAP, since total outlay from MDAP funds is roughly estimated be $16 million.

Dept emphasizes extreme urgency getting FonOff reply earliest possible moment question in para 4 even though reply problem raised para 2 may take longer.

ACHESON

768.5–MAP/11–350 : Telegram

The Secretary of State to the Embassy in France [1]

TOP SECRET WASHINGTON, November 3, 1950—8 p. m.

2401. Deptel 213 to Belgrade, 1645 to London, 1589 to Paris Sept 28.[2] Dept pouching Belgrade London and Paris copies paper [3] by US–Brit–Fr technical working group on possible mil assistance to Yugo. Paper makes certain recommendations which each of three govts now considering with view reaching agreement on necessary policy decisions early date.

During course working group's discussions Fr stated but with considerable circumspection (1) YuGovt had requested Fr Govt presumably during last year permission purchase war materiel in France from govt and private firms and Fr had replied no objection in principle such sales, (2) that Fr and YuGovts then commenced negots for sale materiel valued at about 5 billion francs, (3) that sale has never been completed owing failure agree conditions payment and involvement issue Yugo pre-war indebtedness France and that hence no deliveries have been made. In this connection Dept informed by Brit Emb of report Yugos have recently made new and more liberal proposal re pre-war debts which Fr currently considering. Fr representatives at discussions had sched items involved in proposed sale which they did not circulate nor did we or Brit directly request copies. Fr indicated however it included mostly used parts and items to supplement existing Yugo mil equipment altho some complete units

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[1] This telegram was repeated to Belgrade as 335 and to London as 2334.

[2] The telegram under reference here is not printed. It reported on the establishment of the Tripartite Committee on Military Assistance to Yugoslavia (768.5 MAP/9–2850). Regarding the establishment of that committee, see the Department of State's *aide-mémoire* of September 26 to the British Embassy, p. 1457.

[3] Regarding the paper under reference here, see the editorial note, p. 1482.

artillery pieces apparently also involved. Dept presumes and wld appreciate confirmation that 10 jet trainers subj Deptel 696 to Paris, 691 to London, 103 to Belgrade Aug 8[4] part this proposed sale and hence none yet delivered. As working group had not envisaged provision jet aircraft to Yugo, Dept Defense feels for technical supply reasons inconsistent any of three govts permit sale such aircraft view likely inability Yugos maintain and make efficient use such types without outside assistance.

Both Dept and Defense as well Brit representation at discussions feel essential that, if the program envisaged in working group paper is to be implemented successfully, provision of any significant items war materiel to Yugo shld be coordinated among three govts in order avoid duplication, omissions or possibly conflicts. In any case Dept and Defense wld prefer Fr withhold decision on present Yugo–Fr negots pending opportunity consultation between three govts re policy matters raised in working group's paper.

Accordingly, after coordinating with Brit Emb (which Brit Emb here is recommending to London be similarly instructed) request you shld suggest Fr Govt withhold decision on proposed sale pending opportunity for three govts consider working group paper and achieve agreement on policy questions raised in it.

For additional planning and determining Yugo deficiencies in war materiel, Defense Dept extremely desirous receive more precise indication what items are contemplated in proposed Fr sale to Yugo. Accordingly when approaching FonOff request you also ask whether Fr prepared provide copy sched.

ACHESON

[4] Not printed.

768.56/11–1450 : Telegram

The Ambassador in France (Bruce) to the Secretary of State

TOP SECRET PARIS, November 14, 1950—8 p. m.

2716. Embtel 2647, November 11, repeated Belgrade 35, London 642.[1]

1. This Embassy and British Embassy have now received from French FonOff list and partial information comprising some 35 items

[1] Not printed. It reported that representatives of the American and British Embassies had called separately on Pierre Charpentier, Assistant Director General for Political and Economic Affairs of the French Foreign Ministry, to discuss the status of French thinking and action on the problem of possible military assistance to Yugoslavia. Charpentier confirmed that the sale of material valued at about 5 billion francs was part of the current French-Yugoslav trade discussions, and that credits for a major portion of the material were under consideration. Charpentier expressed full agreement with the principle of tripartite consultation on the matter (768.56/11–1150).

of war material and equipment which Yugoslavs have requested and total value of which said to be about six billion francs (of which 2.7 billion cover cartridge factory and 100 Hispano Suiza motors). In some cases suppliers have been designated and contracts let. Charpentier believes, but cannot verify, that this information was supplied to US, UK, French technical working group in Washington. List being translated and analyzed for transmission Washington.[2]

2. Charpentier summoned representatives this Embassy and UK Embassy to his office and set forth French position to following effect. French most anxious proceed with supplying war material to Yugoslavs and granting of pertinent credit in framework of course of over-all settlement including prewar debts and nationalizations which would in addition permit French to act favorably on International Bank Loan. French would hope that on basis of working group report [3] tripartite agreement could promptly be reached on principle of military aid to Yugoslavia. This agreement might involve a meeting of working group if possible prior to current November 30 scheduled date or decision could be reached in some other way. French would then envisage that affirmative decision in principle be communicated to Yugoslav Government either by three Ambassadors in Belgrade or by one of them delegated to speak for all three. Result this *démarche* would presumably be prompt establishment some quadripartite mechanism for working out of details of assistance.

3. We gather French feel that items they contemplate furnishing Yugoslavs and which are included in reference list would especially in so far as items already specifically contracted for, form part of any military assistance program. They referred in this connection to items such as airplanes which they understand British have already arranged to furnish Yugoslavs (British representative stated he had no information on this subject).

Sent Department 2716; repeated info Belgrade 38, London 660.

BRUCE

[2] A summary of the war material and equipment which Yugoslavia had requested from France was transmitted in telegram 2776, November 16, from Paris, not printed (768.56/11–1650). A copy of the complete list, whose total value appeared to be somewhere between 6 and 7 billion francs, was transmitted as an enclosure to despatch 1365, November 28, from Paris, neither printed (768.56/11–2850).

[3] Regarding the undated report of the Tripartite Committee on Military Assistance to Yugoslavia, presumably under reference, see the editorial note, p. 1482.

868.03/11–1450 : Telegram

The Secretary of State to the Embassy in Yugoslavia

SECRET WASHINGTON, November 14, 1950—8 p. m.

378. Re scope Yugo food program. Program now stands as fol. All figures cover ocean transport and internal handling U.S.: (1) Emer-

gency stop-gap portion (not dependent on Congressional auth) totalling $30.8 million which divides *a.*) ECA flour approx 110,000 tons $12.2 million from Italy and Germany; *b.*) MDAP funds $12.5 million covering 32,000 tons flour, 25,000 tons corn, 25,000 tons barley, 6,000 tons lard and 20,000 tons sugar; *c.*) Export-Import Bank $6.1 million for beans, eggs, canned meat already procured plus 9,000 tons lard. Except ECA flour, all sched for earliest shipment from U.S., sugar ex Cuba, aiming at arrival prior mid Jan 1951. (2) Balance of program, portion dependent on Congressional approval, approximates $50.2 million and 251,000 tons. Largest items, 125,000 tons corn, 125,000 tons feed grains and 50,000 tons vegetables and/or rice and also 15,000 tons seed for $4 million. Note that $50.2 million figure includes Export-Import Bank contribution under stop-gap program for which reimbursement may be requested from Congress.

Total program covers commodities necessary meet Yugo request except lard and sugar have been cut to 20,000 tons each. Scheduling Congressional portion program will be attempted along lines suggested ur 441 and 468. Impossible provide any firm estimate until Congressional action resolved.

Pls note that contemplated program limited to Yugo request with exception lard and sugar and no grant being asked for raw materials. Best prospects mtg amounts outlined ur 441 now appears to be through CARE religious-welfare institutional type program and possible grants from other NATO countries. Pouching copies program.

ACHESON

868.03/11-750 : Telegram

The Secretary of State to the Embassy in Yugoslavia

SECRET WASHINGTON, November 14, 1950—8 p. m.

379. Dept agrees Emb view (urtel 458 Nov 7[1]) that Popovic remark that YuGovt wld like to know what measures it might take to improve chances favorable US action on food assistance shld be followed up on US side with some concrete suggestions.[2] In conversations with Yugo officials here we shall make use of appropriate openings to make such suggestions. However, agree that Popovic not the

[1] Not printed.

[2] In the telegram cited here, Ambassador Allen was responding to a suggestion made by Ambassador Popović to Secretary of State Acheson on November 1 and reported upon in telegram 323, November 1, to Belgrade. Ambassador Allen further observed that while it was an important subject to be handled in a way to achieve a maximum result and avoid the impression of conditions connected with food relief, he believed that a good opportunity existed at least for the mitigation of some of the more glaring aspects of the police state and perhaps for the further reorientation of Yugoslav foreign policy (868.03/11-750).

ideal man to deal with on this subj and that main effort must be made in Belgrade with Tito or, in ur discretion, other high Yugo officials.

In such talks it wld be advisable to refer to steps already taken by Yugos which have contributed to more favorable atmosphere, e.g. (*a*) Tito's recent statements to US Congressmen [3] and in Sulzberger interview [4] re Yugo fulfillment of UN obligations in case of war; (*b*) Tito's reference in Zagreb speech to US aid and to US role in UNRRA (Embdesp 290 Oct 31 [5]); (*c*) recent improvement Yugo relations with Italy; (*d*) return of Grk soldiers to Greece and indications forthcoming on Grk children. On this last point it might be mentioned Yugo's position in public opinon here wld be much better when some children have actually arrived in Greece.

Fol points seem appropriate for mention in talks you may have. We do not suggest they all be mentioned at one time or that they be specifically tied to the aid program. All are matters on which YuGovt may wish to consider its policies in light of known attitudes of US public, to which you can refer.

1. Chi intervention in Korea [6] has aroused strong feelings in US. While we have no intention of trying to tell YuGovt what position it shld take on this or that question before UN, nevertheless we think it wld be appropriate and useful to remark, if occasion arises, that any apparent condoning by the Yugos of Chi Commie aggression in Korea or elsewhere cld only adversely affect attitude Amer public. Further, any Yugo implementation of Bebler's [7] recent suggestion to USUN that immed seating Chi Commies in SC [8] shld be promoted wld prejudice case Yugos in eyes both Amer Congress and Amer people at time when Yugo cld ill afford it. We are not trying to "pressure" Yugos as regards their voting on question seating Chi Commies in UN: that matter will of course be determined by individ govts, at proper time, in accord with their interpretations resolutions before GA on this gen subj. We believe it fitting to note, however, that any appearance that Yugos interested in sponsoring Chi Commie causes at time when Commie China embarking on aggressive adventures at various points on its periphery wld almost inevitably bring about unfavorable reaction in USA at very time when USA is being asked contribute aid to Yugo economy.

2. Granting of exit permits to dual nationals and relatives of US cits wld be well recd by US opinion.

3. In connection food aid program Amers regard as of great importance full freedom for US press correspondents and officials to

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[3] See telegram 396, October 23, from Belgrade, p. 1478.

[4] *New York Times* Chief Foreign Correspondent C. L. Sulzberger interviewed Marshal Tito on the evening of November 6. Sulzberger's account of the interview was carried in the *Times* on November 8. For additional recollections of the interview, see Sulzberger, *A Long Row of Candles*, pp. 582–584.

[5] Not printed.

[6] Communist Chinese military forces attacked United Nations forces in Korea in late October 1950.

[7] Aleš Bebler, Yugoslav Permanent Delegate to the United Nations and Representative to the United Nations Security Council.

[8] For documentation on the attitude of the United States on the question of Communist Chinese representation in the United Nations, see vol. II, pp. 186 ff.

observe and report on reception and distribution of food shipments, and provision for publicity within Yugo. Separate tel deals with proposed agreement on this subj.[9]

4. While US intends scrupulously to avoid intervention in Yugo internal affairs, YuGovt must realize Amer people, if asked to give aid to Yugo, will necessarily be concerned over conditions there and will be favorably impressed by any measures which increase degree of polit and religious liberty enjoyed by Yugo people, such as amnesty non-Cominform polit prisoners (mentioned by Tito in Sulzberger interview) or relaxation of govt control over churches. Dept does not believe any specific proposal shld be made re liberation Stepinac,[10] but his continued imprisonment cld be referred to as a factor which makes it most difficult for many in US, Catholics and non-Catholics, to support aid to Yugo.

5. Collectivization program admittedly hard question to deal with in connection aid program, as we cannot attempt force any particular internal econ policies on YuGovt. However, it can be made clear (*a*) that Amer people will insist that their aid be distributed equitably and not be used as means of benefiting some groups, such as collective farms, at expense of others, or of coercing independent peasantry, and (*b*) that Amer people will consider YuGovt has duty to maximize benefits of US aid by measures which maximize Yugo's own production and which conciliate rather than alienate the peasants on whom that production depends.

ACHESON

[9] Telegram 386, November 15, to Belgrade, under reference here, is not printed (868.03/11-1550). Regarding the exchange of notes between Ambassador Allen and Yugoslav Deputy Foreign Minister Mates on this subject, see footnote 1, p. 1504.

[10] Alojzize (Aloysius) Stepinac, Roman Catholic Archbishop of Zagreb, was sentenced to imprisonment for a term of 16 years on October 11, 1946, for alleged crimes against the Yugoslav Government.

768.56/11-1750 : Telegram

The Ambassador in Yugoslavia (Allen) to the Secretary of State

TOP SECRET PRIORITY BELGRADE, November 17, 1950—noon.

511. My French colleague[1] called today to discuss question dealt with in meeting between Charpentier, Bonsal[2] and Hayter[3] (Paris 38 November 14, sent Department 2716 and London 660[4]). Baudet says negotiations originally concerned commercial credit or loan equivalent to about $25 million which French and Yugoslavs have been discussing for some time its connection with settlement of prewar debt and nationalized properties. French have agreed about ¼ or ⅓ of credit could be used for military supplies, notably cartridge factory and Hispano Suiza motors. Recently, however, Yugoslavs have asked

[1] Philippe Baudet, French Ambassador in Yugoslavia.

[2] Philip Bonsal, Political Adviser to the United States Special Representative in Europe for the Economic Cooperation Administration.

[3] William G. Hayter, British Minister in France.

[4] *Ante*, p. 1497.

⅔'s of credit be made available for military supplies. Baudet is of personal opinion that Yugoslavs are trying introduce major question of Yugoslav military rearmament into French Yugoslav commercial negotiations and eventually to get US military aid indirectly through this means. He regards this as improper and will so advise his government.

I concur in Baudet's views and suggest US Embassy Paris might advise Charpentier that while US appreciates being kept closely informed of Yugoslav efforts to acquire military supplies and US, UK and French should continue to work in closest cooperation in all such matters; some believe subject of tripartite agreement on military supplies for Yugoslavia is separate question and should not be linked to Yugoslav French commercial negotiations; and that moreover, he might well inform Yugoslavs their efforts to increase percentage of credit to be used for military supplies introduces much larger subject of military rearmament inappropriate for solution through commercial agreement.

As regards French suggestion 3 Ambassadors in Belgrade, or spokesmen for them, might inform Yugoslav Government re tripartite agreement on armaments, my preliminary view is that US should not participate in any action which looks as if we are offering Tito something he has not requested of US.

However, since Tito has assured us several times that he plans call on UN for aid in case of attack, we could tell him in accordance with our obligations to UN, we are now making such plans as we can for prompt response to any UN decision to resist aggression in future. Since our means are by no means unlimited, we must consider priorities. Possibility of Yugoslav appeal to UN must be envisaged, and we ourselves (i.e. US, UK and French or even US alone) have decided to stockpile certain supplies in strategic locations in order not be caught by surprise as in Korea. We have made this decision on our own responsibility, as part of our effort to strengthen UN. However, since most probable use of certain stockpiles would be in Yugoslavia, common sense would require, in our mutual interest, that supplies be useful for Yugoslav needs. This would require quadripartite mechanism and considerably closer staff coordination with Yugoslav Government than exists at present. If Yugoslav Government does not desire participate, we will understand Yugoslav position and proceed by guess work as best we can.

I do not believe Tito would or could refuse on this basis and we would avoid any implication of forcing unrequested military aid on him. Further developments would inevitably ensue.

Sent Department 511, repeated information Paris 68.

ALLEN

868.03/11-2250

The Ambassador in Yugoslavia (Allen) to the Yugoslav Deputy Foreign Minister (Mates)[1]

BELGRADE, November 17, 1950.

DEAR MR. MINISTER: The Embassy of the United States of America desires to ascertain, with regard to the foodstuffs which the United States Government is directly or indirectly making available to help prevent human suffering in Yugoslavia this coming winter, that the understanding reached during our conversations concerning the handling and distribution of these foodstuffs is as follows:

It will be possible for officials of the United States Government and representatives of the United States press freely to observe the receipt and distribution of this assistance with a view to noting that it is equitably distributed among the population of Yugoslavia; that these United States officials shall have opportunity to make their observations known to, and to discuss the necessary supply and transportation arrangements with, the appropriate Yugoslav officials; and that the Government of the Federal People's Republic of Yugoslavia is prepared to provide periodic reports concerning the use made of this assistance.

It is also understood that The Government of the Federal People's Republic of Yugoslavia concurs that the source and character of this assistance should become known to the Yugoslav people and is prepared to give full publicity to it and to afford the United States Government opportunity to give similar publicity, including the use of special labels or other designations on the packaging of the foodstuffs being made available.

I should be glad to have your confirmation of the foregoing understanding.

I take [etc.] GEORGE V. ALLEN

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[1] In a note of November 21, Deputy Foreign Minister Mates acknowledged the receipt of this note, quoted the text in full, and stated that the Yugoslav Government was in full agreement with the text. The texts of both notes were subsequently released to the press on December 4. The exchange of notes was formally published as 1 UST 757, TIAS 2146, and 93 UNTS 39. The source text, a certified copy of Ambassador Allen's original note, together with Mates' reply, were transmitted to the Department of State as enclosures to despatch 374, November 22, from Belgrade, not printed.

In his telegram 533, November 21, from Belgrade, not printed, Ambassador Allen briefly reviewed the discussions with Yugoslav officials eventuating in this exchange of notes. Allen observed in conclusion that in general the Yugoslav Government expressed full understanding and sympathy for American publicity requirements and even felt that observers would be useful in preventing the circulation of false rumors (868.03/11-2150).

868.03/11-2250

The Ambassador in Yugoslavia (Allen) to the Yugoslav Deputy Foreign Minister (Mates)[1]

[BELGRADE,] November 20, 1950.

DEAR MR. MINISTER: I have the honor to refer to the request submitted to the Secretary of State of the Government of the United States on October 20, 1950 by the Ambassador of the Federal People's Republic of Yugoslavia for assistance to meet the emergency in Yugoslavia resulting from the recent drought.[2] Particular reference is made to that part of your country's shortages which affects the continued ability of your Government to support the food requirements of its military forces. It is understood that the drought prevailing in Yugoslavia and the consequent shortage of food is so drastic as to seriously impair the ability of your Government to defend itself against aggression. Our two Governments are both desirous of fostering international peace and security within the framework of the Charter of the United Nations through measures which will further the ability of nations dedicated to the purposes and principles of the Charter to participate effectively in arrangements for individual and collective self-defense in support of those purposes and principles. Accordingly, I am pleased to inform you that my Government is prepared, pursuant to the provisions of Public Law 329, 81st Congress, as amended, to supply assistance in aid of food requirements of the armed forces of your Government on the following mutually agreed basis that (1) your Government will use the assistance exclusively for the purpose for which it is furnished, namely, in furtherance of the purposes of the Charter of the United Nations, to prevent the weakening of the defenses of the Federal People's Republic of Yugoslavia; (2) that your Government agrees not to transfer to any other nation the assistance furnished pursuant to this agreement without the prior consent of this Government; (3) that your Government will provide the United States with reciprocal assistance by continuing to facilitate the production and transfer to the United States, in such quantities and upon such terms and conditions as may be agreed on, of raw and semi-processed materials required by the United States as a result of de-

[1] In a note of November 21, Deputy Foreign Minister Mates acknowledged the receipt of this note, quoted the text in full, and stated that the Yugoslav Government was in full agreement with the text. The texts of both notes were subsequently released to the press on December 4. The exchange of notes was formally published as 1 UST 753, TIAS 2145, and 93 UNTS 45. The source text, a certified copy of Ambassador Allen's original note, together with Mates' reply, were transmitted to the Department of State as enclosures to despatch 374, November 22, from Belgrade, not printed.

The discussions during November between Ambassador Allen and Yugoslav officials leading to the perfection of this exchange of notes and the subsequent discussions regarding the time of release to the press were the subject of exchanges of telegrams included in the Department of State file 868.03.

[2] Not printed, but see footnote 2, p. 1474.

ficiencies or potential deficiencies in its own resources, and which may be available in Yugoslavia. Arrangements for such transfers shall give due regard to requirements for domestic use and commercial export of Yugoslavia; [3] (4) that your Government is prepared to make available to the Government of the United States of America dinars for the use of the United States of America for any administrative expenditures within Yugoslavia in connection with assistance furnished by the United States of America to Yugoslavia arising out of this agreement. Our two Governments will at the appropriate time initiate discussion with a view to determining the amount of such dinars and to agree upon arrangements for the furnishing of such dinars.

I have the honor to propose that this note, together with the reply of the Government of Yugoslavia giving these assurances, constitute an agreement, effective on the date of your reply.

I take [etc.] GEORGE V. ALLEN

[3] In connection with point 3 of Ambassador Allen's note, the Embassy in Belgrade submitted to the Yugoslav Foreign Ministry the following *aide-mémoire*, dated November 20:

"In connection with the American Embassy's note of November 20, 1950, concerning arrangements for providing food for the Yugoslav armed forces under Public Law 329 as amended, 81st Congress, Mr. Allen informed Mr. Mates that the transfer to the United States of raw and semi-processed materials mentioned in point (3) of the notes is intended to be on a commercial basis."

The text of this *aide-mémoire* was not subsequently published.

268.1122/11-2650: Telegram

The Ambassador in Yugoslavia (Allen) to the Secretary of State

SECRET BELGRADE, November 26, 1950—noon.

557. Embassy's 543, November 23.[1] Interview with Rankovic [2] was arranged at my request by Deputy Foreign Minister Mates who was somewhat hesitant at first, remarking that Minister of Interior had never dealt directly with any foreign representative. I remarked casually but pointedly that I did not believe Rankovic would refuse to see me. I began discussion with Rankovic by pointing out that exit permits for American citizens of Yugoslav origin had been first question I had taken up with Yugoslav Government following my arrival last January and that despite assurances of sympathetic consideration and many courteous discussions between Consul Heltberg [3] and his Ministry, not more than 20 permits had been issued out of 300 or more we had presented. I said no single policy branded Yugoslavia as police

[1] Not printed.

[2] Aleksandar Ranković, Yugoslav Deputy Prime Minister and Minister of Interior; Secretary of the Politburo of the Yugoslav Communist Party.

[3] Arnlioth G. Heltberg, Consul in the Embassy in Yugoslavia.

state more conspicuously than its refusal to allow residents of Yugoslavia right to leave if they wished. I recalled that matter of great concern to Yugoslavia would come before US Congress soon and that this Embassy and Department were doing what we could to obtain favorable consideration, but we could not do the job alone. Yugoslav Government must help. I emphasized that I was not bargaining food relief against 300 exit permits. I merely wanted to suggest one way in which Yugoslav Government could improve public opinion in US over night, without doing itself least harm.

Rankovic expressed appreciation for my personal interest in aid to Yugoslavia. He said he welcomed discussion and would take citizenship question in his own hands. He referred, however, to fact that although I was interested in only 300 persons, he must think of many thousands who would also demand exit permits if he established precedent. I said I did not think he ran any great risk, since every country today has strict immigration laws and even if he threw his borders wide open, no sizeable number of Yugoslavs could obtain visas to enter other countries. I said everyone in Yugoslavia who now wished to leave regarded him personally as their jailor and Yugoslavia as nationwide prison. If he liberalized his rules, he could shift most of the blame to countries which refused entry visas.

He said he knew he was regarded as devil incarnate but that for political reasons he could not let certain people leave, just as US had recently found it necessary to deny passports to certain US citizens. I said most of the persons in whom I was interested were women and children with no political connections whatever.

As regards political considerations I pointed out that Yugoslav Government's general policy of refusing exit visas had nothing to do with ideology but was due, I was convinced, to fact that present Yugoslav regime had modeled its practices from the start, on those of the USSR. I welcomed recent indications that Yugoslav Government was moving away from its unfortunate heritage and hoped it would move much farther. However, as long as he continued to refuse elemental right of individual to emigrate, he would be following totalitarian dictatorship methods of Hitler and Stalin. If forthcoming debates in Congress showed that US public opinion was lukewarm toward Yugoslavia, at least *I had done my duty* by indicating one of the reasons therefor. I said I was convinced I was doing Yugoslavia a favor by speaking to him thus bluntly.

Rankovic showed no resentment throughout discussion and when I left, he invited me to take up direct with him any future problems I might have.

Sent Department 557, repeated information Paris 75.

ALLEN

Editorial Note

In a letter of November 24 to the Chairmen of the Senate Committees on Foreign Relations and on Armed Services and the House Committees on Foreign Affairs and on Armed Services, President Truman announced his conclusion that it was essential to use up to $16 million of funds appropriated for the Mutual Defense Assistance Program to provide food for Yugoslavia in an amount equivalent to the immediate food requirements of the Yugoslav armed forces. The President's letter characterized the Yugoslav drought, consequent crop failure, and imminent famine as a development which seriously affected the security of the North Atlantic area and which weakened the ability of Yugoslavia to defend itself against aggression. A White House background statement which accompanied the President's letter as released to the press, outlined the stopgap program of emergency aid to Yugoslavia totaling approximately $33,500,000 for food purchases and delivery, involving the Economic Cooperation Administration, the Export-Import Bank, and Mutual Defense Assistance Program funds. For the text of the President's letter of November 24 and the accompanying background statement, see Department of State *Bulletin*, December 4, 1950, pages 879–880. The text of the President's letter is also included in *Public Papers of the Presidents of the United States: Harry S. Truman, 1950*, page 718.

A pamphlet prepared by the Department of State and issued by the House Committee on Foreign Affairs on November 27 (House Committee on Foreign Affairs, 81st Cong., 2d Sess., *Yugoslav Emergency Food Assistance Program* (Washington, Government Printing Office, 1950)) reviewed the importance of Yugoslavia to American foreign policy, described the background of the Yugoslav drought and the American program for relief, pointed to the need for legislative action, presented the texts of the principal diplomatic exchanges in October and November with the Yugoslav Government regarding the aid program, described economic organization and policies in Yugoslavia, presented tables on the American relief program, and included a record of votes by the United States, the Soviet Union, and Yugoslavia on certain political items in the U.N. Fifth General Assembly and a chronology of "moves of Yugoslavia away from Kremlin toward the West."

In a message to the Congress on November 29, President Truman recommended passage of legislation authorizing further emergency aid of $38 million for famine relief in Yugoslavia. For the text of the President's message, see Department of State *Bulletin*, December 11, 1950, pages 937–938, or *Public Papers of the Presidents of the United*

States: Harry S. Truman, 1950, pages 721–722, or *Documents on International Affairs, 1949–1950*, pages 503–505.

The House Committee on Foreign Affairs held formal hearings in open and executive sessions on November 28 and 29. Witnesses heard by Committee included Assistant Secretary of State George Perkins; Chairman of the Joint Chiefs of Staff General Omar N. Bradley; President of the Commodity Credit Corporation Ralph S. Trigg; Stanley Andrews, Director of the Office of Foreign Agricultural Relations of the Department of Agriculture; and John J. Haggerty, agriculture attaché at the Embassy in Belgrade. For the record of this testimony and other statements and information submitted to the Committee, see *Yugoslav Emergency Relief Assistance Act of 1950:* Hearings before the House Committee on Foreign Affairs, 81st Cong., 2d Sess., on H.R. 9853 (Washington, Government Printing Office, 1950). For the text of the prepared statement by Assistant Secretary Perkins at the beginning of his testimony, see Department of State *Bulletin*, December 11, 1950, pages 938–940. A draft bill on emergency relief assistance to Yugoslavia (H.R. 9853) was introduced on December 5, and the following day the Committee voted to report the bill favorably with amendments; see *Yugoslav Emergency Relief Assistance Act of 1950:* Report of the House Committee on Foreign Affairs, 81st Cong., 2d Sess., on H.R. 9853 (Washington, Government Printing Office, 1950). The Senate Committee on Foreign Relations held formal public hearings on the legislation on December 4 and an executive session on December 5. A draft bill on emergency relief assistance to Yugoslavia (S. 4234) was approved by the Committee on December 6; see *Emergency Relief Assistance to Yugoslavia:* Report by the Senate Committee on Foreign Relations, 81st Cong., 2d Sess., on S. 4234 (Washington, Government Printing Office, 1950). The Senate version of the proposed legislation was passed on December 11, and the House version was passed on December 13. A Senate–House Conference Committee reconciled differences in the two bills on December 15, and the Conference Report was approved by the House on December 18 and by the Senate on December 19. For the text of the legislation, approved by President Truman on December 29, Public Law 897, 81st Cong., 2d Sess., entitled "Yugoslav Emergency Relief Act of 1950," see Department of State *Bulletin*, February 12, 1951, page 277, or *Documents on American Foreign Relations*, volume XII, 1950, pages 627–629, or 64 Stat. 1122.

On January 6, 1951, at Belgrade, Ambassador George V. Allen and Yugoslav Foreign Minister Edvard Kardelj signed an agreement regarding the provision of foodstuffs by the United States Government to Yugoslavia in accordance with the provisions of the Yugoslav Emergency Relief Assistance Act of 1950. For the text of the agreement, see Department of State *Bulletin*, January 22, 1951, pages 150–151;

2 UST 757; TIAS No. 2146; 93 UNTS 39. Telegraphic exchanges between the Department of State and the Embassy in Belgrade regarding the conclusion of the agreement in late December 1950 and early January 1951 are included in Department of State file 868.03.

768.56/12-150: Telegram

The Secretary of State to the Embassy in France [1]

TOP SECRET WASHINGTON, December 4, 1950—7 p. m.

3069. Dept and Defense still engaged study Tripartite paper [2] in preparation for early re-examination by NSC of its report 18/4. Likely that decisions taken by NSC on policy qtns posed in Tripartite paper will be incorporated in new NSC report. Under these circumstances no approach to Yugos contemplated prior to NSC policy examination which must precede consultation with Br and Fr on Tripartite paper (Belgrade 593 to Dept Dec 1 rptd Paris 85, London 37 [3]).

Meanwhile Dept and Defense examining relation of proposed Fr Yugo sale to program envisaged in Tripartite paper and also to Fr obligations under MDA agreement. In this connection request clarification (1) re what other sales of war materiel to Yugo contemplated by Fr (Embtel 2942 Nov 24 [4]); (2) whether two jet aircraft and 4 engines referred to in item 9 of Fr list (copy recd from Brit Emb: Dept awaiting Emb Paris' analysis and clarifications [5]) represent present stage of sale 10 jet trainers which were subject of Deptel 696 to Paris [6] or whether they are additional to that sale; and (3) whether Fr feel that sale of all items included in list essential to conclusion gen Fr-Yugo financial settlement including pre-war debts and nationalization claims or whether, if any these items are determined to be inconsonant with Tripartite war materiel assistance program for Yugo, this settlement could still be concluded through inclusion of other items.

ACHESON

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[1] This telegram was repeated to Belgrade as 477 and to London as 2889.

[2] The reference here is to the undated report by the Tripartite Committee on Military Assistance to Yugoslavia; see the editorial note, p. 1482.

[3] Not printed. It stated that the Embassy in Belgrade was withholding further comment on the subject of the tripartite consideration of military aid to Yugoslavia pending reaction to the suggestions put forward in telegram 511, November 17, from Belgrade, p. 1501 (768.56/12-150).

[4] Not printed. It reported that the French Foreign Ministry had stated that the sale of jet trainer aircraft as well as other military equipment to Yugoslavia was being suspended pending tripartite agreement on the question of military assistance to Yugoslavia (768.56/11-2450).

[5] Regarding the list under reference here, see footnote 2, p. 1498.

[6] Not printed.

500-421—80——96

768.56/11-1650 : Telegram

The Secretary of State to the Embassy in France

TOP SECRET WASHINGTON, December 9, 1950—4 p. m.

3184. Re Embtel 2776 Nov 16 rptd Belgrade 38 London 660.[1]

1. Fr Emb presented *aide-mémoire* Dec 5 stating:

(*a*) Report of tripartite comite on mil aid to Yugo (reDeptel 2401 to Paris Nov 3 [2] rptd Belgrade 335 London 2334) raises basic question whether three countries are prepared approach Yugo Govt with view to proceeding to practical steps; (*b*) Fr Govt considers Yugo negots with France for mil equipment provide opportunity to sound out Belgrade auths and to initiate deliveries of materiel in manner which would appear, from polit viewpoint, to take full acct of position of Yugo Govt; (*c*) it would be desirable for three govts to settle questions which tripartite experts found beyond their competence, notably problem of financing; and (*d*) Fr FonOff proposes tripartite discussions on these questions be opened in Paris at early date and desires know whether this procedure acceptable to Dept.

2. Dept is of opinion Fr-Yugo negots, which have essentially commercial character and involve peculiarly Fr interests such as prewar debts and compensation for nationalized properties, should, as suggested in para 2 of Belgrade's 511 to Dept (rptd Paris 68 London 35),[3] be held separate and distinct from broader problem of developing general program of mil assistance to Yugo. US (and presumably Brit) role in Fr-Yugo negots should accordingly be confined to determination whether release of any or all of mil items by Fr to Yugo would be prejudicial to interests of gen rearmament program or of policies guiding program of assistance to Yugo. Dept accordingly considers it appropriate that all discussions concerning mil materiel involved in Fr-Yugo negots for financial-commercial agreement be centered in Paris and will undertake to provide you with necessary instructions for that purpose at early date. With respect to broad policies of mil aid program, however, Dept believes decisions can be taken only after further consideration of tripartite comite report and reconciliation of views of three govts thereon, and inclines to prefer in view of work already done here that discussions on this program remain in Wash. Views of Paris Belgrade and London Embs on this point urgently requested.

3. As possibly providing insight into actual Yugo needs, Dept would appreciate any info obtainable from Fr auths whether list given in reftel (and Paris despatch 1365 Nov 28 now received[4]) contains all items requested by Yugo or only those which Fr feel they are in position to provide.

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[1] Not printed, but see footnote 2, p. 1498.
[2] *Ante*, p. 1496.
[3] November 17, p. 1501.
[4] Not printed, but see footnote 2, p. 1498.

4. Dept would appreciate as detailed as possible info re present status of current Yugo-Fr debt settlement and credit negots and nature of terms being discussed [5] (see Belgrade's 511 to Dept repeated Paris 68 London 35).

Sent Paris, repeated London as 2973, Belgrade as 507.

ACHESON

[5] Telegram 3336, December 11, from Paris, not printed, reported that the Embassy had been informed by the French Foreign Ministry that the negotiations with Yugoslavia had been held up pending American comments on the military items to be provided and a determination by the French Government of the degree to which credit could be extended to Yugoslavia. The Yugoslav representatives appeared to be most impatient to complete the negotiations for arms already requested and had made tentative inquiries about additional items (768.56/12-1150).

768.56/12-1550 : Telegram

The Acting Secretary of State to the Embassy in France [1]

TOP SECRET WASHINGTON, December 20, 1950—7 p. m.

3370. Re Embtel 3450 Dec 15 rptd Belgrade 51, London 840.[2]

1. Defense instructing MAAG Paris to initiate investigations through Fr authorities of certain technical aspects military materiel which Fr contemplate selling Yugos and to keep Emb informed.[3] Emb shld informally advise Fr FonOff nature and purpose these investigations.

2. Dept favors and desires encourage this transaction whereby Fr supply arms to Yugo designed maintain strength of Yugo armed forces, even though there might be some question as to relative value some items in meeting most urgent Yugo requirements. To the extent that the items do not essentially duplicate material being supplied under MDAP and urgently required by Fr or IC,[4] and do not represent significant requirements in other NAT countries, which requirements could be met by transfer to these countries by mutually satisfactory arrangements, then US prepared interpose no objection to the sale. You may so inform Fr, if you see fit, in order give them opportunity initiate adjustments in anticipation any adverse findings by MAAG. You shld make it clear, however, we will reserve our final views until after MAAG report.

[1] This telegram was repeated to Belgrade as 572. Copies were also sent to London.

[2] Not printed. It replied to questions raised in telegram 3069, December 4, to Paris, p. 1509. It reported that additional Yugoslav military orders for equipment had become known to the French Foreign Ministry, that it was not certain how many jet trainer aircraft had been requested by Yugoslavia, and that the French repeated their assurances that all Yugoslav military orders were being held in suspense pending a tripartite decision on the matter (768.56/12-1550).

[3] The reference here is to telegram WAR 99235, December 19, to the Chief of the Military Assistance Advisory Group in France, not printed.

[4] Indochina.

3. As Yugos are making settlement of Fr debt and nationalization claims against Yugo contingent on arms sale by Fr, conclusion agreement on latter shld facilitate general finan settlement and so remove obstacle which Fr have hitherto raised on repeated occasions to more wholehearted participation in implementation agreed policy of giving econ support to Tito in his resistance to Cominform.

4. Defense concurs.

WEBB

768.5 MAP/12-450

The Department of State to the French Embassy

TOP SECRET

AIDE-MÉMOIRE

In an *aide-mémoire* dated December 4 [1] and left at the Department of State by M. Ruffin [2] on December 5, 1950, the French Embassy stated that the report of the Tripartite Committee on military aid for Yugoslavia raises the basic question as to whether the Governments of France, the United Kingdom and the United States are prepared to approach the Yugoslav Government with a view to proceeding, so far as possible, to practical steps. Believing that the Yugoslav request for military equipment from France presents an opportunity to sound out the attitude of the Yugoslav authorities and to effect a first lot of deliveries in a manner which from the political point of view would appear to take full account of the position of the Belgrade Government, the French Ministry of Foreign Affairs considers that it would be desirable for the three Governments to settle the questions which the experts found beyond their competence, notably the problem of financing, and would like to see tripartite discussions opened at Paris to that end as soon as may be possible. The Ministry wishes to know whether the Department of State agrees to this procedure.

With respect to the items of military equipment which the Yugoslav Government proposes to purchase in France, a list of which has been provided to the Department through its Embassy in Paris, the Department is agreeable that the principal discussions thereon should take place in Paris. Instructions have accordingly been despatched to the appropriate representatives in Paris of the United States Government to enable them to take part in such discussions. The Department will undertake to ensure that determination is made with as little delay as may be possible whether in the United States view the release of any or all of the military items by France to Yugoslavia would be

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[1] Not printed; see also telegram 3184, December 9, to Paris, p. 1510.
[2] Henri Ruffin, First Secretary of the French Embassy.

prejudicial to the interests of the general rearmament program or of the policies governing the program of assistance to Yugoslavia.

As regards the broad policies involved in the general problem of military aid to Yugoslavia, including the question as to whether and when the three Governments should make an approach to the Yugoslav Government in the premises, the Department believes that decisions can be taken only after further consideration of the report of the Tripartite Committee and a reconciliation of the views of the three Governments thereon. In consideration of the work already done here, and particularly of the machinery already placed in operation by the Tripartite Committee, the Department believes it would be preferable for discussions on the general program to remain centered in Washington and would accordingly appreciate being informed whether such an arrangement will be acceptable to the French Government.

WASHINGTON, December 22, 1950.

768.56/12–2750 : Telegram

The Secretary of State to the Embassy in France

TOP SECRET WASHINGTON, December 27, 1950—7 p. m.

3443. Re para 4 urtel 3619 Dec 26 rptd London 888 Belgrade 54.[1] Brit Emb here has informed Dept informally as follows:

1. Although question of supplying war materiel to Yugo was not discussed by three ForMins at recent meeting in Brussels, Mr. Bevin had intended to inform Mr. Acheson and Mr. Schuman that Brit Govt favored (*a*) recommendation in para 48 of report of Washington Tripartite Comite [2] that three govts should approach Yugo Govt at early date with offer of eventual military aid and (*b*) proposal that small team of Allied service experts be sent to Yugo to conduct on-the-spot investigations of Yugo requirements.

2. Brit FonOff favors early tripartite approach of this nature in Belgrade because (*a*) proposal constitutes natural development of tripartite policy of "keeping Tito afloat" and internal position of Tito, who has openly admitted that state of Yugo armed forces is deteriorating in relation to those of neighboring satellites, would probably be strengthened by offer of Western arms; (*b*) Tito has now drifted so far from Cominform that admitted risk of supplying him with arms seems worth accepting; and (*c*) present inability of Brit Govt to pro-

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[1] Not printed. It asked for information about any approach made by British Foreign Secretary Bevin on the question of military assistance to Yugoslavia at the December 19 meeting of American, British, and French Foreign Ministers at Brussels (768.56/12–2650). The three Foreign Ministers, who were in Brussels in connection with the Sixth Session of the North Atlantic Council, met to discuss the question of the integration of the Federal Republic of Germany in the community of free nations. For documentation on the meeting, see vol. III, pp. 1 ff.

[2] Not printed, but see the editorial note, p. 1482.

vide Yugo with war materiel and uncertainty whether US Govt can do so in near future is in FonOff opinion not sufficient ground for not making offer. Arms which Fr Govt could supply would represent first installment of Western aid and when report of suggested team of Allied experts has been received supply position of US and Brit Govts may be easier.

3. Brit FonOff believes it is in interest of three Western govts and also of Yugo Govt that Yugo requirements for war materiel be determined without delay; means of helping Yugo most effectively in emergency can not be determined until after full investigation Yugo needs, which can only be accomplished by on-the-spot examination. Brit FonOff therefore considers it most important that any Fr agreement to supply Yugo Govt with war materiel should be dependent on latter's acceptance of team of Allied service experts, since Fr agreement is "only card of immediate entry" we possess.

4. FonOff suggests proposed tripartite approach to Yugo Govt be based on recent Yugo request to Fr Govt for furnishing war materiel as recommended in paras 39 and 48 (*b*) of tripartite report. Fr Amb at Belgrade might make first approach to Yugo Govt in name of three govts after concerting with US and Brit colleagues; subsequently US and Brit Amb could separately confirm to Yugo Govt that Fr Amb had spoken on behalf of three govts.

Dept believes foregoing represents firm position of Brit Govt and considers it likely that it will be favored also by Fr Govt. US view on this question has not yet been determined, although Dept tentatively feels there is serious question as to desirability of direct tripartite approach to Tito at present time (see Belgrade's 668 Dec 11 to Dept, rptd Paris 99, London 40 [3]).

Dept would appreciate receiving urgently Paris, Belgrade, London Emb comments. Sent Paris as 3443, rptd London as 3175, Belgrade as 599.

ACHESON

[3] Not printed. In it the Embassy in Belgrade fully concurred with telegram 3184, December 9, to Paris, p. 1510, that tripartite discussions regarding military aid to Yugoslavia should continue to be centered in Washington. The Embassy also repeated its view that the United States should not associate itself with any approach to Yugoslavia on the subject which might be met with a rebuff or be construed as pressing unrequested military assistance on Yugoslavia (768.5/12–1150).

768.5/12–2950 : Telegram

The Ambassador in Yugoslavia (Allen) to the Secretary of State

TOP SECRET BELGRADE, December 29, 1950—6 p. m.

803. We doubt British FonOff had seen, when it reached conclusions, reported in Deptel 599, December 27 (sent Paris 3443, repeated information London 3175),[1] report of farewell conversation on Decem-

[1] *Supra.*

ber 20 between Tito and Colonel Dewhurst, retiring British MilAtt. Dewhurst's report of conversation re military supplies was shown to me in confidence by British Ambassador. Tito is reported to have replied to Dewhurst's question whether Yugoslavia has sufficient equipment: "I am satisfied that my standing army is well equipped, or will be in the nearest future. I cannot ask for arms from west even if I wanted to. My object is Yugoslavia should remain neutral—until, at any rate, third world war breaks out: in the latter circumstance I realize I shall be drawn in. But to remain neutral, I must act neutrally. I cannot have people saying, 'That is an American tank. Those are British guns. Yugoslavia is an Anglo-American base.' I will give no provocation to other side (Moscow)." In response to Dewhurst's further question "Do you then require nothing, and are you able to fight alone?", Tito replied: "Not if Russia invades us. Then we will need help from the West".

In view of this recent and clearly expressed attitude by Tito, it seems to me highly unlikely that he would concur in any arrangement involving sending in of a team of Allied service experts.[2] If any conversations on military needs were desirable, it seems to me service attachés already here could do whatever may be necessary, at least at start. I continue question however desirability of our initiating subject. I would prefer await Tito's approach to us. I might even suggest we make him ask us twice before we answer, to make certain he wants our help and to avoid any possible impression we are pressing it on him.

There is one way to strengthen Yugoslav militarily with minimum effort on our part and practically no risk of provocation on part Yugoslav Government, namely, to loosen up US and WE export controls which seem to me to be about as tight now as they were before new tripartite policy was developed. It seems anomalous to me to continue deny export licenses for small amounts of things of military or potential military significance after joint decision has been reached that our best interests will be served by strengthening Yugoslavia's ability resist aggression. A recent British example was FonOff proposal remove armor plating from half-tracks of lend lease origin before shipping them to Yugoslavia. Department in position find current US examples. I therefore strongly recommend that export controls be brought quickly into line with developing tripartite policy.

Sent Department 803 repeated information London 46 Paris 116.

ALLEN

[2] Telegram 3675, December 28, from Paris, not printed, commenting briefly upon telegram 3443 to Paris (*supra*), also expressed doubt as to the desirability of a direct tripartite approach to Yugoslavia. The Embassy also believed that the use of the French agreement to supply Yugoslavia with war materials in order to attempt to secure Yugoslav acceptance of a team of Allied service experts was no longer possible in view of the advanced stage of negotiations (768.56/12-2850).

INDEX

500-421—80——97

INDEX

Abbott, Stanley E., 533, 535–536
Acheson, Dean G.:
Albania, U.S. policy toward, 363–366
Austria, U.S. policy toward, 367, 370, 373–375, 377, 385–386, 397–399, 401, 403, 409–410, 415*n*, 416–426, 430, 432–434, 436–437, 439–443, 446, 448, 450, 453–454, 456–457, 462–464, 466–467, 469–470, 472, 473*n*, 478–480, 485, 494–497, 499–500
Berlin, U.S. policy toward and position in, 819–828, 830, 833–836, 847–849, 854, 862–864, 867, 894–896, 898, 900–901
Bulgaria, severance of U.S. relations with, 503–504, 507–512, 513*n*, 518–523, 524*n*
Council of Foreign Ministers, Soviet proposal for meeting, 902, 904–906, 908–912, 914–917, 920–923, 925
Czechoslovakia, U.S. policy toward, 526, 528–529, 531–538, 540–543, 545, 547–552, 554–556, 559, 563, 565–566
East-West trade, U.S. policy toward, 65–66, 75–82, 86–95, 98, 100, 103, 105–106, 115, 122–123, 125, 127, 130–132, 136, 143, 146–148, 150*n*, 151, 153–154, 156–160, 162–163, 172, 174–176, 180–182, 184–187, 189, 197–210, 212, 214–219, 225–226, 231, 243–244, 246, 248, 249*n*, 255–259
European Recovery Program, 638
Exile groups and leaders from Eastern Europe, U.S. policy toward, 341, 343, 352–353, 355–356, 359
Field case, 20–25, 38–40
Finland, U.S. policy toward, 574–579, 585
Foreign Ministers meeting at London, 30, 85*n*, 306–307, 350–351, 556*n*, 606, 1192–1193
Foreign Military Assistance Steering Committee, Chairman, 269*n*
German Democratic Republic, U.S. policy toward, 942–944, 946, 948–951, 958, 964, 969, 975

Acheson, Dean G.—Continued
German Federal Republic, U.S. policy toward, 590, 593, 597*n*, 602, 605–608, 611–615, 617–622, 626–628, 631–633, 653–656, 666–668, 671, 682, 684, 686, 688–696, 699, 701–704, 706, 710, 712, 714, 716–717, 723–724, 726–730, 733, 735–745, 747, 749, 752–754, 758, 760–762, 766–767, 771, 775, 778–780, 784–787, 789, 792, 795–803, 806, 808–811, 813, 817–818, 824
Gubichev case, 998*n*, 999*n*, 1001
Hungary, U.S. policy toward, 982–984, 987–990, 992–993, 998–1007, 1012, 1013*n*, 1014–1019, 1021–1022
Information and educational exchange program, 282–284, 292, 305–306, 311, 313*n*, 314–319
International Confederation of Free Trade Unions, U.S. policy toward, 261–262, 264, 284–285
Mutual Defense Assistance Program, 272–273
Partisans of Peace, World Congress, 328, 330
Poland, U.S. policy toward, 1027–1031, 1034, 1045*n*, 1050
Radio broadcasting frequency in the U.S. zone of Germany, 267*n*
Romania, U.S. policy toward, 1052–1054, 1057–1062, 1065, 1068, 1070–1072
Saar question, 927–936, 938–941
Soviet and Soviet satellite official representation, U.S. policy toward, 60–61
Soviet satellites in Eastern Europe, U.S. policy toward, 8–9, 10*n*, 11*n*, 13–14, 17–18, 20–25, 30, 33, 37, 40–41, 45*n*, 50, 54–56, 60
Soviet Union, U.S. relations with, 1075, 1077–1081, 1083–1084, 1087, 1089–1093, 1101, 1102–1103, 1108, 1110–1114, 1116–1117, 1119–1128, 1130–1131, 1133–1134, 1137–1138, 1140–1142, 1144, 1147–1148, 1158, 1160–1164, 1184–1193, 1200–1203, 1204*n*, 1205–1211, 1222–1224, 1230, 1232–1233, 1236–1238, 1245–1248, 1251*n*, 1253, 1259–1262, 1264–1267, 1269–1270, 1273–1274, 1280–1281, 1283–1284, 1286, 1292, 1299–1301, 1306–1307, 1311, 1312*n*, 1314, 1316–1317, 1319, 1326–1327, 1335–1337

Acheson, Dean G.—Continued
Spain, U.S. policy toward, 285
Speech at University of California at Berkeley, *Mar. 16, 1950*, 354, 541, 546, 622, 955, 1126–1127, 1402
Stockholm peace congress, 277, 315, 324
U.N. General Assembly, matters concerning, 972
Voice of America, matters concerning, 271–272, 274*n*, 275, 276*n*, 279*n*, 285–286, 290, 307
Yugoslavia, U.S. policy toward, 1341*n*, 1348, 1353–1354, 1357, 1359, 1363, 1365–1366, 1367*n*, 1369–1370, 1372–1374, 1378–1388, 1391, 1393–1396, 1398–1400, 1401*n*, 1402, 1404, 1410, 1412–1415, 1421–1424, 1426–1434, 1436–1438, 1440, 1445–1448, 1454–1456, 1459–1462, 1468–1478, 1480*n*, 1483–1488, 1491–1492, 1494–1496, 1498–1501, 1504–1505, 1509–1511, 1513–1514
Acken, Elmer, 1136*n*
Ackermann, Anton, 967
Adenauer, Konrad:
All-German Constituent Assembly, proposed, 668–673, 676–677, 804, 817
All-German elections, proposed, 659*n*, 661–665
Berlin, German Federal Republic's policy toward and position in, 821, 823, 830–831, 842–844
Contractual relationship with Western powers, proposed, 765, 790–791, 793, 804–808, 810, 815–817
Council of Europe, German Federal Republic's membership, 624, 627, 631–632, 636–637, 640, 643
Council of Foreign Ministers, proposed meeting, 905–906, 914
Defense and security of the German Federal Republic, 595, 625, 696–698, 706–710, 714–715, 724, 790–791, 814–815
East-West trade policies, 73–74, 182*n*, 248, 259
European Coal and Steel Community, proposed German Federal Republic membership, 639, 731
Federal police force, proposed, 684, 689–690, 700–701, 711–712, 714–715, 717–722, 724, 726, 729*n*, 730*n*, 736–737
Foreign Ministers decisions, 638, 641, 657–658, 811–817
Foreign relations of the German Federal Republic, 751, 767–768
German Democratic Republic, relations with, 594, 969–970, 978
German unity, 605*n*, 611, 616, 641, 824
Occupation Statute, proposed revision, 715, 770–771, 789–790, 804
Rearmament question, 695
Saar question, 610, 927–928, 930–931, 933–939
Adenauer, Konrad—Continued
Western European defense, German Federal Republic contribution, 671, 674–675, 689*n*, 709, 711*n*, 716, 725–727, 730–731, 780–784, 790, 792, 801–804, 814–816, 818
Yugoslavia, policy toward, 1388*n*, 1395*n*
Advisory Commission on Information, 276, 317
Advisory Committee on Requirements. *See under* East-West trade policy.
Afghanistan, 312, 1171
Africa, 2, 6, 26–28, 638–639, 1171
Agriculture, U.S. Department of, 1473, 1482–1483
Air Force, U.S. Department of the, 851, 1168
Albania:
Czechoslovak attitude toward, 539
Economic Commission for Europe, participation, 35, 145
German Democratic Republic, attitude toward, 960
Greek policy toward, 363–364, 366, 1345
Italian policy toward, 363–364, 366
Poland, relations with, 1047–1048
Prague communiqué, signatory, 665–666, 903
Soviet policy toward and position in, 1345
Trade policies, 145
U.S. policy toward, 32, 312, 363–366, 1444
U.S. trade controls, 183, 229
Warsaw Declaration, signatory, 649*n*, 947*n*
Yugoslavia, relations with, 363, 366, 1338, 1345, 1389
Alexander, Viscount, 359
Alien Property, U.S. Office of, 9–10, 337–338, 340
Allen, Edgar P., 473*n*, 483–486
Allen, George V., 1354, 1357–1358, 1362–1363, 1370–1371, 1374–1381, 1388–1398, 1400–1407, 1414–1415, 1417*n*, 1421*n*, 1426–1428, 1429*n*, 1434*n*, 1440–1441, 1448–1449, 1454–1456, 1459–1460, 1466, 1468*n*, 1469–1472, 1476, 1478–1481, 1483, 1485–1486, 1488–1489, 1492–1493, 1499*n*, 1501–1506, 1514–1515
Allen, Maj. Gen. Leven C., 46–48
Allen, William Denis, 386–387, 746, 938
Alliance of Polish Democratic Parties in exile, 348–349
Allied High Commission. *See under* Berlin; German Federal Republic.
Alphand, Hervé, 67*n*, 104, 137*n*, 138, 210*n*, 246*n*, 670
Alsop, Joseph, 949, 1403, 1417
Alston-Roberts-West, Maj. Gen. M.M., 414
American Federation of Labor, 261–262, 273
American Overseas Airlines, 4

American Republics, 66, 79, 778–779, 1171
Anders, Gen. Władysław, 359–360
Arab states, 1171
Argentina, 78
Armstrong, William Park, 280–281
Armstrong, Willis C., 77*n*, 96*n*, 107*n*, 116–123, 132*n*, 176*n*, 192, 212*n*
Army, U.S. Department of the, 382, 385, 404, 407, 416, 475–476, 478, 1168
Arneson, R. Gordon, 148–150
Arutyunyan, Amazasp Avakimovich, 35, 145
Ascherfeld, Capt. Theodore F., 1306, 1321–1322
Asher, Robert E., 143–144
Asia, 907, 1083*n*, 1184, 1229, 1231, 1239
Aström, Sverker, 210–211
Atomic energy, proposed international control, 323–326, 1105, 1258
Atomic Energy Commission, U.S., 142, 148–149
Atomic warfare, possibility, 1172
Atomic weapons, proposed prohibition, 1101, 1111, 1157, 1212, 1230*n*, 1251
Attlee, Clement R., 330–331, 695–696, 1280
Auboyneau, Christian, 1438
Auchincloss, John W., 591–596
Auriol, Vincent, 933
Austin, Warren R., 1240–1242, 1434–1436
Australia, 56–57, 59
Austria (*see also under* East-West trade policy: Yugoslavia; *and* Austrian question *under* United Nations: General Assembly):
  Allied Commission, 417, 423, 455, 458
  Allied Council, 367, 369*n*, 370, 374–378, 383–384, 388–389, 391–393, 396, 404, 406–411, 414, 417, 419, 422–424, 426, 429, 433, 435, 454, 456, 464*n*, 473, 496, 499, 501
  Army and Air Force, proposed establishment, 373, 388, 414–418, 466, 472–497, 499, 501
  British policy, 386–388, 398–399, 401*n*, 415, 424*n*, 425*n*, 428–429, 434, 449–458, 461–462, 464, 475, 478, 480, 485, 490–493, 497–500
  Civil disturbances, 404–410, 428
  Communist activities, 406–409, 427
  Control Machinery Agreement of *1946*, matters concerning, 375–376, 378, 384, 388, 391–392, 402, 404, 409–410, 417, 422, 424
  Council of Foreign Ministers, proposed meeting, 920, 923–924
  Council of Foreign Ministers Deputies on Austria, negotiations, 430–434, 436–437, 439, 442, 449–450, 454–458, 460–465, 467, 471–476
  Executive Committee of Allied Commission, 367, 410–411
  Export of strategic materials to the Soviet bloc, 137*n*, 399–401, 413, 418
Austria—Continued
  French policy, 368–370, 388, 415, 424*n*, 425*n*, 428–432, 449, 451, 455–458, 461–462, 464, 474–475, 478, 480, 485–486, 489–490, 492, 498*n*, 499
  German Federal Republic, recognition of status by, 797
  Government, policy and position of, 380–383, 385, 398, 401–403, 433, 438, 442–444, 446–448, 450–452, 458–459, 470
  High Commissioners, change in Western zones from military to civilian, 375–377, 416, 427, 458, 638
  International Monetary Fund, discussion of exchange rate with, 412
  Occupation costs, 367, 369–371, 374, 380, 398, 401–402, 415, 422, 424–425, 428–429, 433, 458
  Peace treaty draft, negotiations concerning, 368–370, 373–380, 382–383, 385, 387–393, 395, 398, 399*n*, 402, 411–413, 416, 418, 421, 430–473, 477–484, 496, 819, 903*n*, 905, 918, 1036, 1105, 1230, 1247, 1265
  Police forces, proposed strengthening, 373–374, 378, 381, 385, 387–388, 392, 395, 397, 406, 408, 414, 418, 424, 426, 466–469, 473–474, 476–481, 483–484, 489, 491, 497–498, 500–502
  Soviet occupation forces, 376–379, 417, 445, 470
  Soviet occupation zone, 31, 49, 140, 169, 427, 1344, 1347–1348
  Soviet policy, 367–368, 370–371, 373, 379, 387–392, 399, 402, 404, 406–410, 414, 416–418, 423–431, 432*n*, 433–457, 459–465, 469–473, 476, 499, 819, 897–898, 905, 914, 1036, 1101, 1156*n*, 1230, 1247, 1256, 1265
  Trade policies, 400–401
  Tripartite (France–United Kingdom–United States) conversations on Austria's internal security, Washington, *Aug. 3, 9, 11, 1950*, 483–499
  U.S. economic assistance, 399–400, 412–413
  U.S. information and educational exchange program, 312
  U.S. military assistance, 466, 485, 495, 497
  U.S. policy, 367, 369–380, 382–399, 401–404, 411–425, 427–430, 432–434, 436–437, 440–444, 449, 451, 453–459, 461–464, 466–475, 479–492, 494–496, 499–500, 897–898, 1444

Bahamas, 78
Balabanov, Mimir, 509
Baldwin, Charles F., 134, 136
Baltic Sea, 58–59, 62–64, 1208–1209, 1230

Baltic states. *See* Estonia; Latvia; Lithuania.
Bank for International Settlements, 339
Bao Dai, 1366*n*, 1373
Barbados, 78
Barbour, Walworth, 946–948, 1080*n*, 1091–1092, 1108–1134, 1138, 1202–1205, 1250, 1259–1265, 1270–1276, 1280–1282
Barchacz, Alexander, 524
Bard, Imre, 1005*n*
Barkley, Alben W., 225
Barnett, Robert W., 176*n*
Barrett, Edward W., 271–272, 274–276, 280–281, 302*n*, 303–305, 315–318, 328*n*, 330*n*, 336, 713, 1075
Barringer, J. Paul, 40*n*
Bartlett, Frederic P., 134, 136
Baruch, Bernard, 315
Battle, Laurie C., 1478
Battle, Lucius D., 448*n*, 1013, 1369*n*, 1372*n*
Baudet, Philippe, 1485–1486, 1501–1502
Baum, Allyn, 989–990
Bazykin, Vladimir Ivanovich, 1039*n*, 1194, 1288–1289, 1291–1292, 1299, 1301, 1303–1304, 1315, 1317–1321, 1326–1327, 1336
Beaumarchais, 762
Bebler, Aleš, 1434–1437, 1500
Begoügne de Juniac, Gontran, 1354*n*, 1356*n*, 1467
Belgium (*see also under* East-West trade policy: Country positions), 72, 173, 267*n*, 270, 942–944, 1383
Bell, Harry H., 1424–1426
Bender, Elmer C., 1000–1001, 1002*n*
Benelux. *See under* German Federal Republic.
Benton, William, 298, 315
Bérard, Armand, 624–626, 631–632, 722, 863*n*
Berei, Andor, 980*n*, 999*n*, 1002–1003, 1007–1008, 1011–1012, 1014*n*, 1015–1016, 1017*n*, 1018–1021, 1023–1024
Beriya, Lavrentiy Pavlovich, 1269
Berlin (*see also under* United Nations: Security Council):
  Access, 818–823, 826, 830, 865, 876, 923
  Allied Commandants, 825, 829–830, 833–834, 836*n*, 837–838, 840, 842–843, 845, 848, 852*n*, 853–856, 860–861, 864–866, 873, 891–892, 898*n*, 899, 902
  Allied Foreign Ministers, decisions, 639, 657, 775, 834, 840, 854, 859–860, 864, 867*n*, 887–888, 890–891, 893
  Allied High Commission, policies and position, 820, 825–826, 829–832, 835, 838*n*, 840–841, 843*n*, 844, 860, 863*n*, 864–865, 873–874, 890–891, 898*n*, 899, 902
  Allied Kommandatura, 774, 819*n*, 834, 838, 842, 856, 858, 865, 890
Berlin—Continued
  Allied position and rights, 716, 744, 774, 809, 815, 833, 838*n*, 854, 867, 872, 874, 876, 880–881, 883, 888, 947
  Blockade threat, 658, 819–820, 823*n*, 830, 850–852, 867, 869–872, 875–879, 881–884, 887, 890, 893–898, 1101
  British policy, 823*n*, 830–831, 834, 836*n*, 863*n*, 865, 874, 886, 889
  Constitution, revision, 825–826, 831, 902
  Elections, 617–618, 621, 627, 649, 790, 818, 825, 829, 833–834, 836–840, 842–843, 852–858, 860–861, 900–902, 953–954
  Free German Youth rally in East Berlin, 824–825, 829, 836, 838*n*, 844–845, 847–850, 856*n*, 861–862, 952, 954, 1230
  French policy, 823*n*, 830–831, 836*n*, 886
  German Democratic Republic, policy, 968
  Interzonal trade agreement, *1947*, 827–828, 854, 859, 865, 888, 978
  Reunification proposals, 833–835, 837–838, 840
  Soviet policy, 396, 644, 648, 651, 709, 717–718, 819–821, 823, 825*n*, 826–827, 830–831, 836–838, 840, 844–845, 852–859, 861–862, 865, 868–880, 882, 886–890, 895–898, 900, 953–954, 965, 1151, 1170
  Status, 759, 791, 799, 818, 826, 831, 838, 854, 858, 890
  U.S. policy, 619–620, 628, 630, 646, 651, 680, 699, 818–836, 838*n*, 844–852, 854, 857–860, 862–864, 867–887, 890, 893–898, 900–901, 975, 1175
  Western sectors:
    Defense and security, 723, 818, 829–830, 845–846, 868, 870–872, 877, 884–888, 891–894, 898–900, 973
    Economic problems, 103, 818–819, 824–826, 830–833, 841–844, 862–864
    German Federal Republic, relationship to, 624–625, 628–629, 821, 824, 826, 828–831, 841–843, 859–860, 863–864, 866, 873–874, 879, 964
    Police forces, 673, 717, 719–720, 845–846, 871–874, 891–894, 898*n*
Berlin blockade, *1948–1949*, 334, 678, 760, 826, 830–831, 867, 878, 902, 907, 978, 1089*n*, 1230, 1256
Bermuda, 78
Berthelot, Marcel, 430–431, 434, 439–440, 462, 464, 473*n*
Berthoud, Eric A., 212*n*, 234*n*, 241, 243
Béthouart, Général d'Armée Emile, 480
Béthouart, Mme. Emile, 386–387
Bevin, Ernest:
  Austria, British policy toward, 386, 448*n*, 450–454, 485
  Berlin question, 834

Bevin, Ernest—Continued
Chinese People's Republic, British recognition, 1247
Commonwealth Conference at Colombo, 1205*n*
Council of Foreign Ministers, proposed meeting, 908, 909*n*, 910–911, 918, 922, 926
East-West trade controls, 123–125, 132, 136, 151, 187*n*
Foreign Ministers meeting at London, 30, 85*n*, 306–307, 350–351, 606, 1192–1193
German Democratic Republic, British policy toward, 951*n*
German Federal Republic, British policy toward, 593, 602, 605–606, 620, 630, 643*n*, 658, 689, 712*n*, 716–718, 793, 801, 803, 805–807, 809–810
NATO Council meetings, 330*n*
Partisans of Peace, World Congress, 329–330
Saar question, 928
Soviet Union, British policy toward, 1246–1247
Western European integration, British policy toward, 591
Yugoslavia, British policy toward, 1415, 1433*n*, 1447, 1513
Bianu, Cornel, 360
Bidault, Georges, 931, 1353*n*
Bischoff, Norbert, 442, 444
Bishop, Max, 176*n*, 214–216, 1439*n*
Blacha, Henry, 1121
Black, Eugene, 1381*n*, 1422, 1424, 1445, 1448–1449, 1454–1456, 1460, 1464–1466, 1469–1470, 1476, 1480*n*
Black Sea, 1193–1194, 1209
Blaisdell, Thomas C., 201–202, 209, 214–215, 227*n*
Blank, Theodor, 783, 815
Blankenhorn, Herbert, 624–625, 631, 674, 677, 722, 821, 823*n*
Blasko, Stefan, 346–347
Bliss, Robert Woods, 1013–1014
Bluecher, Franz, 698, 705, 823–824
Bodnaras, Emil, 1061
Boehm, Emanuel, 346–347
Boheman, Erik, 197
Bohlen, Charles E., 30, 82, 95, 98, 101–102, 205, 208, 209*n*, 210*n*, 212*n*, 234*n*, 241, 243, 292–294, 443, 446–447, 675, 906–908, 910, 1193, 1220–1221, 1226, 1383–1384, 1410
Bolivia, 78
Bolz, Lothar, 977
Bonbright, James C. H., 50*n*, 176*n*, 358–359, 411, 1036*n*, 1306*n*, 1328–1329, 1331
Bonesteel, Lt. Col. Charles H., 95, 101
Bonnet, Henri, 474–475, 569, 934–935, 937
Bonsal, Philip, 1501
Boyl, Bill, 989
Bradley, General of the Army Omar N., 48–49, 58–59, 152–154, 192, 196, 245–246, 394–397, 688*n*, 1339–1341, 1441–1444
Brannan, Charles F., 256, 1386, 1483, 1485
Brassard, John Odillon Arthur, 1108–1109, 1133–1134, 1223, 1232–1234, 1247–1250
Bray, William H., 475*n*
Brazil, 78, 1393
Briggs, Ellis O., 23, 341, 526–531, 537–540, 545–548, 551–560, 561*n*, 563*n*, 565–567, 569, 572–573, 1022–1024, 1026
British Broadcasting Corporation, 274, 276, 287, 301, 318–319, 1025, 1074, 1274
British Guiana, 78
British Honduras, 78
Brown, Aaron S., 1013–1014, 1016*n*
Brown, Ben H., 309, 311*n*
Brown, Cyril Maxwell Palmer, 116
Brown, Irving, 839
Brown, Winthrop G., 87–93, 1212–1219
Browne, Mallory, 318*n*
Bruce, David K. E., 86, 127–130, 134–138, 154–157, 189–190, 199, 246–247, 282, 443–447, 474, 671, 673, 686, 689*n*, 696, 785, 792, 801, 817, 822*n*, 906–908, 915–918, 933–934, 937*n*, 1353*n*, 1363, 1373–1374, 1497–1498
Bruner, Mirko, 1421, 1445, 1474
Buckle, John F., 1093*n*
Budget, U.S. Bureau of the, 256, 311*n*, 316, 1361, 1419, 1439, 1485
Budyenny, Marshal Semen Mikhailovich, 1269.
Bulganin, Marshal Nikolay Aleksandrovich, 1267–1269
Bulgaria (*see also* Human rights provisions, etc. *under* Soviet satellites in Eastern Europe):
Assets held by U.S. Office of Alien Property, 9–10, 1004*n*, 1010
German Democratic Republic, policy toward, 962, 973
Greece, policy toward, 520
Prague communiqué, signatory, 665–666, 903
Trade policies, 145
U.S. relations, severance, 8–9, 15, 32, 118, 287, 290, 354, 503–525, 532, 535, 541, 819, 992, 994, 1084
U.S. trade controls, 183, 229
Warsaw Declaration, signatory, 649*n*, 947*n*
Yugoslavia, policy toward, 1344–1347, 1429–1430, 1451*n*
Bulgarian National Committee in exile, 354–355, 358–359
Buresch, Eugen, 439
Burma, 312, 1088, 1151
Burns, Maj. Gen. James H., 10, 583*n*
Burrows, Bernard A. B., 450*n*
Buttenwieser, Benjamin J., 844
Butterworth, W. Walton, 210–211, 261

Byington, Homer M., 411
Byrnes, James F., 929, 959, 1043
Byroade, Henry A., 176*n*, 591, 593–596, 619–621, 627, 633, 663, 668, 671, 678–682, 689*n*, 691*n*, 696, 699–700, 703, 706, 712, 728*n*, 730, 735–737, 780, 784, 792, 797–799, 802*n*, 813, 819*n*, 823–825, 847–848, 862–864, 867, 898, 935, 945, 952–955

Cabot, John M., 576–589
Caccia, Sir Harold A., 386, 399, 414, 480, 500–501
Calhoun, John A., 745
Campbell, John C., 19, 351–352, 354, 360–362, 366*n*, 505, 513, 1341*n*, 1354*n*, 1356, 1359*n*, 1364–1365, 1374–1375, 1410–1412, 1432*n*, 1443*n*, 1449*n*, 1451–1453, 1464–1466, 1474
Canada (*see also under* East-West trade policy: Country positions), 56–57, 920, 1473, 1489–1490, 1496
Canham, Erwin D., 317
Cannon, Clarence, 189*n*, 192*n*, 193, 196, 249–254, 259
Cannon, Lt. Gen. John Kenneth, 1140*n*
Cannon amendment. *See under* Congress, U.S.
Capetanides, Spiros, 1493*n*
Caranfil, Nicolae, 360–361
Cardozo, Michael H., 1304*n*, 1328
Carey, James B., 261, 263–264
Carol, former King of Romania, 361
Carroll, Wallace, 336
Carter, Thomas A., 25*n*, 26*n*
Ceylon. *See* Sri Lanka.
Central Intelligence Agency, 142, 255, 286, 308, 1168, 1361
Cenral Rhine Commission, 629
Chapin, Selden, 115–116, 1022
Chapman, Oscar, 256
Charpentier, Pierre, 1497*n*, 1498, 1501–1502
Chase, Warren M., 51*n*, 576
Chatham, Thurmond, 1478–1479
Chatigneau, Yves, 439, 1133, 1233
Cheetham, Nicolas J. A., 500
Chervenkov, Vulko Vulev, 1245
Cheseldine, Col. R., 591
Chiang Kai-shek, 1377
Chile, 78
Chinese People's Republic (*see also* United Nations: Chinese representation question; *under* Korean conflict: Country positions):
  American citizens in, treatment, 819, 1084
  British recognition, 1247
  Civil aviation policy toward, 40*n*
  Soviet policy, 1076, 1083*n*, 1084, 1088, 1089*n*, 1100–1101, 1126, 1151, 1153, 1156–1157, 1169–1170, 1175, 1178–1180, 1184, 1186, 1192, 1243, 1267–1268, 1357*n*, 1377
  Trade restrictions against, 71, 78–79, 93, 142, 151, 160, 173, 176*n*, 180, 183, 193, 229, 251
  U.S. policy, 84, 312, 1081, 1201
Churchill, Winston, 792, 1392, 1395
Chuykov, Gen. Vasiliy Ivanovich, 641, 643*n*, 659–661, 663, 667, 672, 921*n*, 955, 974–975
Chwalek, Roman, 977
Clark, Ralph L., 308
Clark, Richard, 571*n*
Clementis, Vladimir, 526–527, 529, 530*n*, 534–535, 537, 541, 545*n*
Cohen, Benjamin V., 37, 59
Collins, Gen. J. Lawton, 1314
Collins, Ralph S., 1222*n*, 1235–1236
Colombia, 78
Commerce, U.S. Department of, 8, 65–67, 69, 77–80, 85, 93–95, 99–102, 114, 139, 141, 152*n*, 163–166, 174*n*, 184, 194, 198, 201–202, 205*n*, 206, 209–210, 215, 219–221, 226–228, 231–232, 243*n*, 244*n*, 255, 983, 1044
Commission for Conventional Armaments, 323
Commodity Credit Corporation, 1386–1388, 1481–1482, 1483*n*, 1492
Commonwealth, 203, 207, 601, 944, 1184, 1205*n*
Communist Information Bureau (Cominform) (*see also under* Yugoslavia), 31*n*, 300, 435, 538, 908, 923, 966, 1048, 1079*n*, 1087, 1105, 1156, 1257, 1345, 1349, 1351, 1353, 1364–1365, 1371, 1373, 1375, 1380*n*, 1393, 1397, 1401–1402, 1406, 1428–1430, 1440–1441, 1449, 1460, 1463, 1477, 1512–1513
Communist International, 1182
Communist Manifesto, *1847*, 332
Conger, Clement E., 674*n*
Congress, U.S.:
  Austrian occupation policies, 383, 444, 475*n*, 479
  Cannon amendment, 189*n*, 192*n*, 193, 197, 249–254, 259
  Czechoslovak National Assembly peace resolution, 309–310, 311*n*
  East-West trade policies, 76, 77*n*, 130*n*, 189, 192–193, 196–197, 224, 227, 859, 1216
  European Recovery Program, 77*n*, 1403
  Genocide Convention, 342–343
  German Federal Republic:
    State of war with, proposed termination, 593, 613, 779
    U.S. policy toward, 699, 930–931
  House of Representatives, 189*n*, 192*n*, 311*n*, 316–317, 1160*n*
    Appropriations Committee, 77*n*, 316
    Armed Services Committee, 1495
    Foreign Affairs Committee, 311*n*, 1495, 1507
    Interstate and Foreign Commerce Committee, 185
  Information and educational exchange program, 302–303, 313, 315–316, 333–334
  Internal Security Act of *1950*, 189
  Lend-lease settlements, 1329, 1331–1332

Congress, U.S.—Continued
Mutual Defense Assistance Program, 269, 601, 1211, 1403, 1431, 1495
Port security legislation, 42
Senate, 189, 192*n*, 298*n*, 311*n*, 316–317, 342*n*, 1160*n*, 1459–1460
Armed Services Committee, 1495
Foreign Relations Committee, 302*n*, 311*n*, 315, 336, 342, 699, 1205, 1495
United Kingdom, economic and financial aid for, 1358
Vogeler case, 1015
Wherry amendment on East-West trade, 189, 192–193, 196–197
Yugoslavia, U.S. policy toward, 1363, 1365, 1367–1368, 1385, 1403, 1431–1432, 1443, 1448–1449, 1459–1462, 1475, 1477–1478, 1481*n*, 1484–1485, 1488, 1491–1492, 1494, 1499–1500, 1506–1507
Congress of Industrial Organizations, 261–262, 273
Connally, Tom, 285, 564*n*, 699*n*, 1063*n*, 1491
Connelly, Matthew J., 355
Conolly, Adm. Richard L., 1143*n*
Consultative Group. *See under* East-West trade policy.
Coordinating Committee. *See under* East-West trade policy.
Copenhagen Plan for European radio broadcasting, 266–268, 1010–1011
Corbett, Jack C., 1328
Corth, Johannes, 469–470
Costa Rica, 78
Cosyns, Max, 270*n*
Coulson, John E., 67*n*, 116, 133
Council of Europe (*see also under* German Federal Republic), 17, 403, 783*n*, 936
Council of Foreign Ministers:
British policy, 906*n*, 907–908, 910–911, 918–919, 922, 925–926
French policy, 905–906, 908–909, 911, 918–919, 922
Japanese peace treaty, proposed consideration, 1157
Sessions:
Paris, *May–July 1946*, 1308–1309
Moscow, *Mar.–Apr. 1947*, 928, 955, 1043
London, 955
Sixth, Paris, *1949*, 442, 603, 667, 679, 820, 831, 834–835, 837, 857–858, 861, 905, 908, 916, 955, 978
Soviet proposal for meeting, 470, 472, 650, 660, 670, 672, 675–677, 722, 730, 732, 800, 808, 810–811, 817, 902–926, 974, 1265, 1268
U.S. policy, 904–926, 1157
Council of Foreign Ministers Deputies (*see also under* Austria), 1309
Council of Free Czechoslovakia, 346, 347*n*
Council on Economic Mutual Assistance, 36, 966, 973, 979
Country positions. *See under* East-West trade policy; Korean conflict; North Atlantic Treaty Organization; United Nations: General Assembly.
Couve de Murville, Maurice, 430, 1353*n*, 1363
Cowle, Dorothy, 1272
Cox, F. Gardner, 666*n*
Cox, Henry B., 608–611
Cretzianu, Alexander, 360, 362*n*
Cripps, Sir Stafford, 601
Cromie, Leonard J., 364*n*, 1364–1365
Cuba, 78
Cunningham, Adm. Sir John, 1307
Curacao, 78
Curran, Joseph E., 273
Cyrankiewicz, Josef, 959
Czechoslovak Social Democratic Party in exile, Executive Commission, 341
Czechoslovakia:
Albania, attitude toward, 539
American citizens in, protection, 526–527, 529–530, 532–533, 536, 549, 561*n*
British policy, 540*n*, 556, 563, 569*n*
Civil aviation operations, 2–3
Consulates at Chicago, Cleveland, New York, and Pittsburg, closure, 550, 558–560, 562, 566, 568, 570
Defection of crew members of Czech airlines, 543–544, 546, 550
Diplomatic representation in the United States, reduction in size, 558, 560–561, 566
Field case, 20–25, 38–40, 526, 561*n*, 562
French policy, 540*n*, 563, 569
German Democratic Republic, policy toward, 539, 644, 960–962
Hvasta case, 526–528, 535
Meryn case, 546–548
Mutual aid agreements with Soviet satellites, 539
National Assembly resolution on peace, 309–311
Poland, relations with, 1047
Political situation, 537–539, 697
Prague communiqué, signatory, 665–666, 903
Telecommunications facilities with Heidelberg, termination, 529–531, 535
Trade policies, 97, 114, 126, 142, 145, 256*n*, 257, 400
U.S. Consulate General at Bratislava, closure, 550, 568, 570
U.S. Diplomatic Mission, harassment and reduction in size, 11–12, 13*n*, 118, 290*n*, 309*n*, 526, 530, 543, 551–562, 566–568, 570, 573, 1024, 1064, 1084
U.S. information program and materials, restrictions on, 291, 309*n*, 312, 530, 532–535, 544–548, 550, 561*n*
USIS libraries at Bratislava and Prague, closure, 550, 568, 570

Czechoslovakia—Continued
U.S. policy, 528–529, 531–535, 540–543, 548–550, 554–555, 558–559, 563–565, 567–568, 923, 1022
U.S. trade controls, 158, 183, 229, 545–546, 1098
Voice of America, objections to, 529, 553
Warsaw Declaration, signatory, 649*n*, 947*n*
Yugoslavia, termination of commercial relations with, 539

Dardanelles, 59
Davies, John Paton, 1366*n*
Davis, Cmdr. Jack C., 1290–1291, 1306*n*, 1321–1322, 1335
Davis, Nathaniel P., 528, 980–982, 983*n*, 985–987, 993–994, 998–1000, 1002–1003, 1005, 1007–1008, 1010, 1012, 1014*n*, 1016, 1017*n*, 1018–1026
Davis, Richard H., 1328
De Courten, Adm. A. Rafaele, 1307
De Crouy-Chanel, Étienne, 212*n*, 234*n*, 473*n*
Dedijer, Vladimir, 1364
Defense, U.S. Department of:
Austria, U.S. policy toward, 393–395, 397, 421, 423*n*, 424*n*, 458*n*, 482, 483*n*, 484, 486–487
Berlin, U.S. policy toward, 897
Civil aviation policy toward the Soviet bloc, 2, 27
East-West trade, U.S. policy toward, 139–143, 152*n*, 155*n*, 164–166, 170–172, 176*n*, 194, 205*n*, 206, 210, 243*n*, 244*n*, 255
Foreign information program and psychological warfare planning, 305
German Federal Republic, U.S. policy toward, 690–691, 693–694, 698*n*
Military service attachés in the Soviet bloc, 11–12, 992, 1028, 1083
Soviet Union, U.S. policy toward, 1168, 1220
Voice of America, matters concerning, 286–288, 308
Yugoslavia, U.S. policy toward, 1340, 1352, 1419, 1431–1433, 1443, 1453, 1457, 1463, 1481, 1497, 1509, 1511
De Lattre de Tassigny, Gen. Jean, 949
De Margerie, Christian, 429*n*
Dendramis, Vassili G., 1413*n*
Denmark (*see also under* East-West trade policy: Country positions), 63–64, 267*n*, 575*n*
Dennison, Rear Adm. Robert L., 41*n*
De Rose, François de Tricornot, 116, 234*n*, 241
Dertinger, Georg, 603, 676–677, 946–947, 973
Dibelius, Otto F. K., 677, 966
Dimitrov, George M., 354, 358
Dimitrov, Georgi, 983
Dimitrov, Joseph, 508–509
Dingley, Col. Nelson, 1029
Diomedes, Alexander, 1356n
Dixon, Sir Pierson John, 531*n*, 540–542
Djilas, Milovan, 1435, 1455, 1460
Doherty, William C., 261, 264
Dominican Republic, 78
Donnelly, Walter J., 412, 414, 416, 423–424, 426–427, 500–501
D'Orlandi, Giovanni, 68–69, 71
Douglas, Lewis W., 22–24, 95–101, 103–105, 133–134, 160–162, 212–214, 264*n*, 386–387, 475, 485, 497–499, 563–564, 611, 686, 689, 695–696, 706, 738, 743, 745, 749–751, 757–760, 761*n*, 765, 767, 771–776, 778, 786*n*, 1005–1007, 1237–1238, 1393–1394
Douglas, Paul, 342, 1150
Dow, Frank, 1195*n*
Dowling, Walter C., 399–403, 406–407, 500
Doyle, Michael Francis, 1250*n*
Dulles, Allen W., 256, 286, 290, 307–308, 571
Dulles, John Foster, 315, 336
Dunn, James C., 105–106, 282
Dupré, Adm. Marcy M., 117
Durčanský, Ferdinand, 346
Durning, Harry M., 1136*n*

Early, Stephen, 271
East-West trade policy of the United States (*see also under individual countries and subjects and* U.S. and Western European trade restrictions *under* Soviet satellites in Eastern Europe; U.S. trade restrictions *under* Soviet Union):
Advisory Committee on Requirements, 139, 141, 194, 208–210, 221, 226–227, 229–230
Agreed Minute of the American, British, and French Foreign Ministers, *Sept. 19, 1950*, 187–188, 191, 196, 203–207, 212–213, 234–237, 239, 241
American Control Lists, 67*n*, 74, 77–80, 81*n*, 84, 87–91, 93, 95–103, 116–124, 126–129, 132–135, 137–138, 140–142, 146–149, 153, 155*n*, 158, 161–163, 165–167, 169–174, 176–177, 180*n*, 181–188, 191–192, 194–199, 201, 204–207, 209–211, 215, 217–218, 221–222, 226, 228–232, 245, 248*n*, 254–255
Austria, question regarding application of controls to, 71–72, 137*n*, 139, 152*n*, 165–166, 168–169, 171–172, 177, 179–180, 183, 194, 231–232
Consultative Group, 67–68, 69*n*, 75–76, 80, 82, 87*n*, 89*n*, 92–94, 96, 98, 100*n*, 101–102, 106*n*, 115*n*, 122–123, 126–127, 129, 130*n*, 131–132, 134–138, 146, 154–157, 159–160, 162–163, 169, 172–173, 181, 186, 190, 192, 194–195, 199, 205, 212–214, 217–221, 228–231, 240, 242–247, 257, 259

East-West trade policy—Continued
Coordinating Committee, 68–72, 80, 81*n*, 82, 86–87, 93–94, 96–99, 115–116, 121–122, 126–129, 130*n*, 131*n*, 132–138, 154–163, 173–174, 181, 186, 190, 192, 194–195, 199, 205, 207–208, 211, 246–248, 256*n*, 258
Country positions: American Republics, 66, 79; Belgium, 67*n*, 69*n*, 86, 89*n*, 90, 92, 127–131, 137, 145–146, 149, 157, 172–173, 239, 247; Canada, 66, 67*n*, 69*n*, 77–79, 86, 90, 114, 128–129, 149, 156; Denmark, 67*n*, 69*n*, 70–71, 75, 86, 90, 127–129, 137–138, 145, 156–157, 159–160, 247; France, 67*n*, 69, 86, 89*n*, 90, 96, 119–124, 127–129, 134–138, 145–146, 149, 157, 202–204, 212, 223, 238, 241–243; German Federal Republic, 65, 68, 70, 73–74, 80–81, 86, 92, 96–98, 103–105, 124, 129, 149, 151, 157, 179, 182–184, 199, 239, 248, 253, 259–260, 610, 821–822, 828, 830, 865; Greece, 146, 168, 207, 231, 253; Italy, 67*n*, 69*n*, 86, 89*n*, 90, 105–106, 128, 137–138, 149, 152*n*, 154*n*, 155–159, 247, 258; Japan, 66, 151, 176*n*; Luxembourg, 86, 146, 173*n*; Netherlands, 67*n*, 68–69, 75, 89*n*, 90, 115–116, 127–129, 137–138, 145–146, 149, 157, 247; Norway, 67*n*, 69*n*, 70–71, 86, 90, 128–129, 137, 149, 157; Sweden, 71, 92, 97, 113, 125, 137, 149, 152*n*, 154*n*, 155, 159, 165–166, 168–169, 171–172, 177, 192, 194, 197–198, 207, 210–211, 219, 221, 230, 239, 246, 253, 256*n*, 257–259, 575; Switzerland, 71, 92, 97, 113, 131–132, 137, 149, 177, 183, 192, 194, 200, 211*n*, 219, 221, 231, 239, 246, 253, 256*n*, 257–259; Turkey, 71, 78, 146, 168, 207, 231; United Kingdom, 67, 70, 78, 86, 89*n*, 90, 96–97, 99, 105, 119–139, 132–137, 142, 145–146, 149, 152*n*, 154*n*, 155, 157–162, 174–175, 181, 183, 187, 191, 195, 199, 202–207, 212, 223, 237–238, 241–243, 259; United States, 4, 17, 33–35, 65–66, 67*n*, 69–72, 75–104, 106–114, 117–124, 127–130, 132–144, 146–155, 157–159, 161–172, 174–187, 191–198, 201–210, 214–233, 241–246, 249–260, 1044*n*; Western Europe, 65, 78, 83–85, 87–89, 92–95, 97–103, 109, 113, 119, 121, 142, 146*n*, 148, 151, 153, 158–159, 164, 166–170, 172, 177–178, 185, 189–190, 193, 198, 204, 221–223, 229, 232, 237–238, 253
International List I (embargo), 67, 69–71, 74, 81*n*, 90–91, 93–94, 96–97, 99–100, 104, 115*n*, 119–122, 126–130, 132–134, 136, 138, 155*n*, 157, 160*n*, 161, 162*n*, 168, 173, 176, 180*n*, 188, 192, 206–207, 218–219, 229–230, 400
East-West trade policy—Continued
International List II (quantitative controls), 67, 69–70, 74, 80, 91, 96*n*, 121–122, 126, 128–130, 132–134, 136–137, 155*n*, 162*n*, 173–174, 176–177, 194, 207, 218–219, 222, 229–230, 238–239
International List III (under consideration), 67, 69, 74, 81, 91, 122, 128–129, 132, 134, 137*n*, 155, 159, 162*n*, 181, 194, 207
Strategic materials, controls over exports, 65–69, 79, 81–82, 85, 87–89, 92, 94, 99, 119, 121, 123–124, 128, 132–133, 137, 141, 147–149, 152, 154*n*, 155–156, 158, 160, 165, 167, 169–172, 174–175, 180–182, 184, 188, 190–191, 193, 196*n*, 197, 200, 204–208, 210*n*, 213, 215, 220–222, 224, 228–229, 233, 236, 241–242, 244
Transit trade, negotiations concerning control over, 92–93, 99, 101, 126, 137*n*, 173–174, 185, 192, 198, 206, 211, 221, 229, 243, 246
Tripartite (France–United Kingdom–United States) conversations on security controls, *Oct. 17–Nov. 20, 1950*, 205–210, 212–214, 219–221, 226–227, 231, 234–244, 247–248, 253, 257*n*, 259
Eastern Europe. *See* Soviet satellites in Eastern Europe.
Eaton, Charles A., 1491*n*
Economic Commission for Europe, meetings, 33–37, 143–146, 233, 530, 1049
Economic Cooperation Act of *1948*, 193, 251, 1481, 1492
Economic Cooperation Administration, 8, 35, 80*n*, 81–82, 85, 89, 93–94, 99–102, 139–142, 149, 152*n*, 155, 158–159, 164–166, 169, 174*n*, 178, 193–194, 201, 205*n*, 206, 208–209, 215, 226, 228, 231–232, 243*n*, 244*n*, 253, 255–256, 297, 317, 399–401, 412–413, 421, 530, 605, 630, 681, 754, 798, 832, 863, 1258, 1360, 1368, 1383, 1385, 1387, 1416, 1418, 1448, 1473, 1481–1483, 1486, 1499, 1507
Economic Coordinating Committee, 96
Economic Recovery Act, 89
Economu-Gouras, Paul, 364*n*, 1420*n*, 1428–1429
Ecuador, 78
Egypt, 267*n*, 1231, 1239
Ehrenburg, Ilya, 329, 331
Eisenhower, General of the Army Dwight D., 315, 814–815, 875, 949
Eisler, Gerhardt, 1037
Elbl, Ivan, 544–545
Elkington, Reginald L., 116
El Salvador, 78
Elsner, Lubomir, 544
Emerson, Thomas I., 1435
Enckell, Carl, 576
English, John H., 1341*n*
Erhard, Ludwig, 248, 638, 640, 1433

Erhardt, John, 367–368, 370–371, 377–380, 385–386, 397, 434–435, 444–445, 447, 459–460, 1005
Ernst, Morris L., 988–990, 1005
Estonia, 229, 337–341, 353, 356–357, 358*n*
Ethridge, Mark F., 276, 317
Euler, August Martin, 705, 757–758
European army or defense force, proposed, 654, 703, 709–711, 716, 731–732, 801–804, 814
European Clearing Union, 1358
European Coal and Steel Community (Schuman Plan), 639–640, 670, 691, 700, 731–732, 739–740, 742, 761, 777, 785–787, 797, 801–802, 806–808, 940
European Coordinating Committee, 264–265, 269–270, 272
European Payments Union, 606–608, 612, 691*n*, 692, 773
European Recovery Program (Marshall Plan), 35, 94, 96, 100–101, 140, 143*n*, 144–145, 171, 263, 284, 297, 307, 315, 412, 598, 600, 638, 943, 963, 1044–1045, 1048, 1105, 1123, 1170, 1216, 1232, 1239–1240, 1251, 1367–1368, 1374–1375, 1385, 1393, 1403, 1449, 1481
European Regional Broadcasting Conference, Copenhagen, *June 25–Sept. 15, 1948*, 266–268, 1010–1011
Evans, Barbara, 216*n*, 1473*n*, 1480*n*, 1483–1484
Executive Orders: *10062*, 845; *10171*, 421; *10173, Oct. 18, 1950*, 41*n*; *10177, Oct. 12, 1950*, 416
Exile groups and leaders from Eastern Europe, U.S. policy toward, 17, 19, 32, 337–366
Export-Import Bank of Washington (*see also under* Yugoslavia), 253

Fadeyev, Aleksandr Aleksandrovich, 1262–1263
Fagerholm, Karl-August, 574, 576*n*, 577
Falkland Islands, 78
Farcasanu, Mihail, 360–361
Far East, 638, 1089, 1099, 1156, 1171, 1183, 1275, 1377
Farquhar, Sir Harold L., 125
Federal Bureau of Investigation, 61, 294–295, 998*n*
Federal Communications Commission, 285–286, 288, 290, 307–308
Federal Reserve Act, *1941*, 338
Feldmann, Wilhelm, 977
Feldmans, Jules, 357–358, 1147*n*
Felix, Lucien, 1383–1384
Field, Elsie, 21, 22*n*, 38
Field, Hermann H., 20–22, 24–25, 38–39, 526*n*, 1034–1035
Field, Mrs. Hermann, 20, 25*n*
Field, Herta K., 20*n*, 22*n*, 24, 39, 526*n*
Field, Noel H., 20*n*, 22*n*, 24, 38–39, 526*n*
Fierlinger, Zdenék, 341, 357–538
Figl, Leopold, 367–368, 380*n*, 382–384, 405, 407–409, 426, 433–435, 459*n*, 497–498, 500–501
Filipovic, Milenko, 1424
Finland:
  Communist participation in government, question of, 576–578
  Economic Commission for Europe, participation, 145–146
  Export of strategic materials to, control, 65, 71, 92–93, 101, 137*n*, 183, 193, 229
  Soviet policy, 63, 435, 574, 576–578, 587, 819
  Trade pact with Soviet Union, 1209
  U.S. information and educational exchange program, 312
  U.S. policy, 51, 53, 267, 577–588
  U.S. port security regulations, 49–54
Fisher, Adrian S., 45*n*, 50–52
Fisher, O. Clark, 1478–1479
Flack, Joseph, 1036*n*
Flanders, Ralph E., 316
Floyd, Capt. William O., 1306*n*
Food and Agriculture Organization, 1044, 1045*n*, 1049
Ford, Peyton, 292, 294–296, 1038*n*
Foreign Agents Registration Act of *1938*, 534, 999*n*
Foreign Assistance Act, 1368
Foreign Bondholders Protective Council, 1396–1397, 1410, 1422
Foreign Economic Administration, 1312
Foreign Military Assistance Correlation Committee, 475, 485, 1361, 1419
Foreign Military Assistance Steering Committee, 269
Foreign Ministers of France, United Kingdom, and the United States, meetings:
  New York, *Sept. 1949*, 450, 453, 474, 1433
  Paris, *Nov. 1949*, 593, 612, 615, 620, 629, 1433
  London, *May 11–13, 1950*, 14*n*, 30–31, 85, 93*n*, 94–95, 102–103, 105–106, 123–125, 132, 153, 157, 202, 296*n*, 298, 300, 306–307, 314, 318, 350–351, 386, 397–398, 402–403, 416–417, 423, 453, 457–458, 460, 463, 549, 555, 606, 618–624, 628–631, 636–639, 641–642, 652*n*, 667, 686, 692, 710, 737–738, 745, 754, 763, 818, 839–840, 854, 859–860, 864, 890, 951, 953–955, 1155, 1158, 1184–1185, 1192–1193, 1211, 1401*n*, 1410, 1415, 1433
  New York, *Sept. 12–14, 18–19, 1950*, 163, 176*n*, 180–181, 182*n*, 186–188, 191, 202–205, 220, 330*n*, 467, 656–657, 659–660, 662, 664–667, 672–673, 687, 711*n*, 712*n*, 713–717, 723–726, 729, 733–737, 747, 761–762, 765, 767–768, 770–771, 773–779, 781, 784, 791, 793–794, 804–807, 812, 814, 867*n*, 874, 887–888, 890–891, 893, 903, 910, 972–973, 1447, 1487

Foreign Ministers meetings—Con.
Brussels, *Dec. 1950*, 803–817, 919, 920*n*, 922–923, 1513
Formosa, 909, 1226, 1231, 1263
Forrestal, James, 1330
Foster, William C., 77*n*, 82, 201–202, 209, 214–216, 225, 228, 249–250, 256, 413, 415*n*, 1483–1484, 1491*n*
Fouchet, Jacques, 116, 212*n*
Fowler, William A., 1115*n*, 1371, 1397, 1455
Fraleigh, William N., 272*n*
France (*see also France and French subheadings under individual countries and subjects*):
Communist threat, 284, 293, 1088, 1204–1205, 1273
European radio broadcasting frequencies, 267*n*
Grain supplies, 1472
U.S. information and educational exchange program, 312
U.S. military assistance, 269–270
Franco Bahamonde, Gen. Francisco, 285, 1049, 1404
François-Poncet, André, 636, 638, 657–658, 668–671, 684, 689*n*, 690*n*, 696–698, 711, 715, 725, 790, 792, 803–805, 813–815, 863*n*, 906, 935
Franks, Sir Oliver, 161, 174, 453, 606–608, 611–612, 922*n*, 925–926
Frasheri, Midhat, 366
Free Albania Committee, 366
Freers, Edward L., 331*n*
French Guiana, 78
French West Indies, 78
Frings, Joseph, 705

Gafencu, Grigore, 360–362
Gainer, Sir Donald St. Clair, 497–499, 500*n*, 745, 758–760, 765, 774–776, 793
Galapagos Islands, 78
Gallman, Waldemar J., 25*n*, 1027–1029, 1030*n*, 1031–1036
Gannett, Michael R., 1435*n*, 1467
Gantenbein, James W., 1064*n*, 1066*n*, 1067*n*
Garner, Robert L., 1417
Gartz, Ake Henrik, 51*n*, 53
Gaston, Herbert E., 1372, 1378*n*, 1386*n*, 1387, 1407–1409, 1417*n*, 1425, 1484
Geiger, Imré, 991
George, J. Mishel, 77*n*, 117
Gerhardt, Lt. Col. Harrison A., 591, 671, 673, 686, 698, 702, 797*n*, 899
German Democratic Republic (East Germany):
All-German Constituent Assembly, proposed, 668–673, 676–678, 955, 977–978
Belgian policy toward, 942–944
Berlin, policy toward, 968
British policy toward, 942–944, 951, 964
Bulgarian policy toward, 962, 973
German Democratic Republic—Con.
Council on Economic Mutual Assistance, admission, 966, 973, 979
Czechoslovak policy toward, 539, 644, 960–962
Elections, 603–604, 609, 616, 628, 650, 659–665, 667, 714, 762, 855, 858, 868, 873, 878, 882, 889, 895, 953–954, 961, 963–964, 966–969, 971–976
Establishment, 834, 868, 877, 946, 1076, 1267
French policy toward, 942–944, 951, 964
German Federal Republic's policy toward, 594, 614, 705, 963–964, 969–970
Hungarian policy toward, 960–962
Luxembourg policy toward, 942–944
Netherlands policy toward, 942–944
Nonrecognition policy by Brussels Pact powers and United States, 942–944
Poland, relations with, 644, 958–962, 969, 1043, 1049
Police forces, strengthening, 700, 707–711, 714–715, 717, 719, 721–722, 829, 869–873, 875, 877–880, 882–885, 889, 891, 895–896, 905, 911, 920, 948–949, 951, 1244
Political situation, 963–969, 977–979
Prague communiqué, signatory, 665–666, 903
Reparations deliveries to the Soviet Union, 952–953, 962
Romanian policy toward, 960, 973
Soviet occupation forces, 31, 707–708, 855
Soviet policy and position, 644, 646–650, 652–653, 679, 716, 762, 868, 873, 878–880, 882, 893, 949, 952–954, 958–961, 964, 969, 973–974, 1088, 1170, 1174, 1227
Soviet remilitarization of, 323, 639, 648–649, 651, 686, 690*n*, 707, 719–720, 905, 913, 921, 948*n*, 949, 951, 1251–1252
Trade and payments agreement with the Soviet Union, *Apr. 12, 1950*, 961
Trade policies, 960–963, 967
U.S. policy, 312 595, 645–646, 942–946, 948–955, 969, 970*n*, 974–975
U.S. port security controls, 49
U.S. trade controls, 183–184, 229
German Federal Republic (West Germany) (*see also under* Berlin; East-West trade policy: Country positions; North Atlantic Treaty Organization; Yugoslavia):
All-German Constituent Assembly, proposed, 668–673, 676–678, 804, 817, 955

German Federal Republic—Continued
Allied Foreign Ministers decisions, 636–642, 647*n*, 652*n*, 657–660, 662, 664–667, 672–673, 686–687, 710, 712–713, 723–726, 729, 733–738, 745, 763, 766*n*, 767–768, 770–771, 773–779, 781, 784, 791, 793–794, 803–817, 903, 910, 941, 953–954, 972–973
Allied High Commission (*see also under* Berlin), 70, 73, 104–105, 149, 182–184, 259, 594, 597, 618, 620–623, 628–633, 637, 640, 655, 657–659, 668–673, 676–677, 680–681, 684–685, 689, 694–696, 700*n*, 701–702, 705–706, 709–711, 712*n*, 714–716, 719–721, 729*n*, 730, 733*n*, 735, 739–744, 748–750, 753–754, 756, 758, 763–764, 766–768, 770–772, 774–784, 788–793, 794*n*, 796–797, 801–806, 810–818, 929, 931, 939, 955, 969–970, 975, 1395*n*
Allied reserved powers, 742, 748, 750, 753, 755–757, 771
Allied security rights and requirements, 797
Austria, recognition of status, 797
Basic Law, 690, 715*n*, 733–734, 736, 747, 751, 782, 825, 831, 854
Benelux attitude toward, 592, 614–615, 639, 745, 774–775, 777, 779, 808
British policy toward and position in, 599, 601, 605–608, 611–612, 688*n*, 689–691, 695, 697, 701*n*, 716–721, 736, 742, 747–749, 752, 754, 762–764, 772–773, 775, 777–778, 785, 788, 800, 807, 810–811, 817, 928–929
Charter of the Allied High Commission, *June 20, 1949*, 680, 774
Civil aviation policy, 798
Claims against Germany and Germans, 737–739, 747–748, 752, 759–760, 761*n*, 768–770, 774, 778–779, 797–799, 890
Contractual relationship, proposal, 675, 737, 756, 765, 790–791, 797–799, 802, 803*n*, 804–805, 807–808, 810, 812, 814–817
Council of Europe, participation, 590, 592, 624–627, 631–632, 636–637, 640, 643, 691, 739, 751, 928, 930, 933, 936, 939, 953, 961
Council of Foreign Ministers, proposed meeting, 920
Danish minority, 797
Deconcentration policies, 797
Debt questions, 747–748, 750, 759–760, 761*n*, 768–770, 791–793, 804–806, 817
Defense and security, 595, 624–625, 630*n*, 635, 640, 652, 658, 678–679, 681–682, 696–697, 704–710, 714–715, 723–724, 726, 728*n*, 755, 790–792, 814–815, 873, 973, 1276

German Federal Republic—Continued
Economic situation, 630
Establishment, *1949*, 1089*n*
European Coal and Steel Community, proposed membership, 639–640, 698, 700, 731–732, 807–808
European Payments Union, participation, 773
Federal police forces, 640, 657–658, 678, 681, 684–687, 688*n*, 689–690, 694–697, 700–702, 711, 714–724, 726, 728–729, 733–737, 766, 892
Foreign affairs, extension of powers to conduct, 739, 744, 747–748, 750–751, 754–755, 757*n*, 758, 762, 768, 780
Foreign interests in Germany, safeguarding, 680, 748, 774, 798
French policy toward and position in, 592, 594, 599, 609, 621, 629, 631–632, 660, 687–688, 690–691, 693, 696–697, 701*n*, 712, 717*n*, 721, 725–726, 728, 731, 736, 740, 742, 747–749, 752, 762, 771–773, 775, 777–778, 786, 790, 792–794, 800, 807–811, 818, 927–941
French zone, 268
German Democratic Republic, policy toward, 595, 614, 705, 963–964, 969–970
Government policy and position, 594, 597–598, 615, 618–619, 621–623, 626, 631–632, 641–642, 652, 659–665, 667, 676–679, 765, 780–784, 790–792, 804–805, 839–840, 955
Intergovernmental Study Group on Germany, 638–640, 653–654, 657, 680, 692*n*, 705, 737–818, 890
Internal security, 678, 684–685, 726, 728*n*, 755
International agreements and organizations, 797, 810, 813, 818
International Authority for the Ruhr, 105, 595–598, 616, 621, 631, 633, 635, 639, 648, 680, 686, 731, 738, 740, 742, 765, 787
Joint Export-Import Agency, 73
London Conference on Germany, *1948*, 680
Military Security Board, 597, 635, 763, 776, 797, 802, 967
Netherlands policy toward, 670
Occupation: Costs, 429, 695, 721, 731–732, 781, 808; forces, 597, 603, 609, 616–617, 679–680, 682, 685, 693, 747
Occupation Statute, proposed revision, 594, 614–617, 631, 638–640, 648–649, 675, 705, 711, 715–716, 737, 741–742, 746–759, 762–763, 765, 770–771, 774, 781, 790–791, 797, 804, 807, 953, 961, 967
Polish policy toward, 1049

German Federal Republic—Continued
Prohibited and Limited Industries Agreement, 630, 633, 680, 686, 706, 737, 740, 759–760, 761*n*, 762–764, 766–767, 772–778, 782, 784–789, 792–797, 810
Rearmament, question of, 431*n*, 635, 654, 669, 671, 678, 681*n*, 687–688, 691–697, 699–700, 702–704, 719–721, 725–728, 780, 800, 805, 873, 891, 903, 913, 919, 941, 1035, 1275
Refugee problem, 629–630, 679, 712, 718, 781, 823–824, 829*n*
Remilitarization question, 667, 688*n*, 689–690, 692, 903, 911
Reparations question, 680, 779
Restitution question, 742, 756, 774, 779, 782, 797
Saar question, 592, 610, 616, 621, 627, 630, 636–637, 649, 687, 751, 798, 819, 927–941, 947
Soviet and Soviet satellite civil aviation operations, 5, 29
Soviet-held prisoners of war, 639
Soviet policy toward, 644–645, 647, 649, 651–652, 667, 669, 673, 683, 694, 718, 875, 919
Status, 759, 761–762, 765
U.S. information and educational exchange program, 312
U.S. policy toward and position in, 84, 377, 590–609, 611–624, 626–637, 643–647, 650–668, 678–684, 686–695, 699–700, 702–703, 706, 723–724, 727–730, 735–745, 747–748, 752–757, 760–764, 766–767, 772–774, 776, 778–779, 785–787, 795–803, 810, 817–818, 839, 927–941, 1042, 1051
U.S. zone, 266–267, 608–611
War, state of, proposed termination, 590, 593–594, 612–615, 653–654, 657, 738–739, 744–745, 747–748, 750, 752, 759, 761*n*, 765, 779, 890, 961*n*, 968
War criminals, questions concerning, 797
Washington agreements of *Apr. 1949*, 680
Western European defense, negotiations concerning German contribution, 63, 590–592, 595, 598–600, 621, 629, 632–635, 637–638, 644, 652, 670*n*, 671, 673–675, 678, 680, 686–687, 691*n*, 693–694, 695*n*, 702–703, 705, 709, 711*n*, 716–720, 722–733, 761*n*, 765, 767, 771–773, 776, 780–788, 790, 792–798, 800–803, 805–807, 812–818, 874, 876, 906
Germany (*see also* Berlin; German Democratic Republic; German Federal Republic):
Germany—Continued
All-German elections, proposals, 590, 603–604, 609, 615–619, 621–622, 626–627, 632–633, 638, 641–642, 649, 659–664, 667, 669, 673, 676, 682*n*, 839–840, 858, 921, 953–955, 977–978
Allied Control Council, 594, 641*n*, 655, 665, 673, 682*n*, 948*n*, 949–950, 965
Demilitarization, Soviet proposals, 902–926, 949–950
Disarmament policies, 949–950
Interzonal mail and passes, 655–656
Peace treaty, negotiations concerning, 593–595, 603, 609–610, 613, 616–617, 621–623, 639, 641, 646, 648–649, 653–654, 661, 666–667, 672, 682*n*, 742–744, 752, 768–769, 778, 791, 797, 799, 812, 903, 927, 929–932, 934–938, 940, 946, 948, 952–953, 959, 965, 967–968, 970, 974, 1042–1043, 1105, 1157
Prague communiqué, *Oct. 21, 1950*, 665–668, 673, 732, 903, 910–911, 916, 918, 920–921, 923, 977, 1268
Prisoners of war, 923, 953
Soviet policy toward, 322, 396, 471–472, 599, 603, 608–609, 611, 616–617, 622–623, 644, 650, 655, 669, 673, 678, 699, 708–709, 717, 808–809, 946–950, 952, 973–974, 1043, 1139, 1156–1157, 1167, 1169–1170, 1179–1180, 1227–1229, 1256, 1264–1265, 1268
Territorial questions, 610, 633, 649–650, 669, 672, 798–799, 923, 947–948, 953, 958–959, 969–970, 1042–1043, 1049
Unification problem, 593–594, 598, 603–604, 605*n*, 608–611, 616–619, 621–623, 626, 629, 637–638, 641–642, 644–646, 648–650, 652, 657–660, 662, 664–668, 672–674, 678–679, 714, 717, 768–769, 799, 810, 812, 824, 829*n*, 831, 853–854, 858, 866, 873, 879, 921, 946, 948, 953–956, 965–968, 972–974
Warsaw Declaration of *1948*, 649, 947
Gifford, Walter S., 814*n*
Gilmore, Eddy, 1211*n*
Gleason, S. Everett, 141*n*
Goldenbaum, Ernst, 977
Gomulka, Władysław, 539
Gottwald, Klement, 535, 537
Grady, Henry F., 364–365
Graf, Ferdinand, 500–501
Graham, John S., 1136, 1139–1140, 1195*n*
Gray, Cecil W., 159–160
Greece (*see also under* East-West trade policy: Country positions; Yugoslavia):
Bulgarian policy toward, 520
European radio broadcasting frequencies, 268
Soviet and Soviet satellite policy toward, 322, 1227, 1244, 1256–1257, 1264, 1342, 1345–1346

Greece—Continued
U.S. information and educational exchange program, 312
U.S. policy, 481–482, 1444
Green, William, 261–263, 264*n*, 273
Greenland, 77–78
Gresswell, H., 116
Griffin, Maj. Donald E., 996*n*, 997–998
Grigaitis, Pius, 342–343, 355–356
Grigoryev, N. K., 1333, 1335
Grivas-Gardikiotis, Theodoras, 1413*n*
Gromyko, Andrey Andreyevich, 437–439, 441–443, 452, 902, 921*n*, 1114, 1127–1128, 1147*n*, 1190*n*, 1207, 1209, 1222, 1234–1235, 1236*n*, 1246–1250, 1260, 1266, 1311–1312, 1316–1318
Gross, Ernest A., 1241, 1258, 1434, 1436
Grosz, Gen. Wiktor, 1031
Grotewohl, Otto, 668–673, 676–677, 804, 817, 946, 952, 959–960, 966, 968, 977–978
Gruber, Karl, 409, 411–415, 424–425, 434–435, 439, 443–448, 459*n*, 469–470, 497–499
Gruson, Sidney, 75–77
Guatemala, 78, 557
Gubichev, Valentin A., 998, 1000–1001, 1002*n*

Hadjů, Vavro, 23, 526–527, 545, 556–558, 560
Haiti, 78
Halaby, Najeeb E., 11*n*
Hall, Yolande, 1272
Hammarskjold, Dag, 210*n*
Handler, M. S., 1370, 1461
Handy, Gen. Thomas T., 264*n*, 270, 698, 867–887, 899
Harriman, W. Averell, 33*n*, 67–72, 98, 100–101, 106, 119, 201, 256, 264*n*, 270, 282, 605, 639, 933*n*, 1120, 1402, 1484–1485, 1491*n*
Harris, Michael S., 125–126
Harrison, Geoffrey W., 1089*n*
Harrison, George M., 261
Harrison, Marcia R., 107*n*
Harvey, Sir Oliver C., 443, 717*n*
Hays, Gen. Thomas T., 659*n*, 697–698, 714–716, 722, 733–735, 815, 821–822, 823*n*, 931*n*, 934, 937*n*, 969–970
Hayter, William G., 1501
Haywood, Allan S., 261–262
Heath, Donald R., 503–515, 517–518, 520–525
Heidrich, Arnost, 346
Heinemann, Gustav W., 725, 727
Helmer, Oskar, 368, 405, 407–408, 427*n*, 500–501
Heltberg, Arnlioth G., 1505
Hendrickson, Robert C., 315
Henry, David H., 62*n*
Heuss, Theodor, 643
Heussinger, Gen. Alfred, 815
Hickerson, John D., 280–281
Higgs, L. Randolph, 62*n*, 1480*n*, 1489–1490
Hitler, Adolph, 345, 588, 636, 661, 663, 1251, 1256, 1278, 1404, 1506
Hjelm, Holger, 528
Hoar, A.S.G., 1424*n*
Ho Chi Minh, 1170, 1365–1366, 1370–1371, 1373–1375, 1390, 1404
Hoffman, Johannes, 938, 947*n*
Hoffman, Paul G., 67, 69, 101, 163*n*, 180, 189, 192–193, 196, 201*n*, 269*n*, 605
Holder, Oscar C., 19
Holmes, Julius C., 241–243, 264–265, 269–270, 330–331, 442, 605–606, 671, 673, 695, 716–717, 765, 784–785, 787*n*, 793, 794*n*, 797*n*, 801, 803*n*, 822*n*, 911*n*, 928–929, 934*n*, 937*n*
Honduras, 78
Honecker, Erich, 825
Hong Kong, 160
Hoppenot, Roger, 1384
Horner, John E., 1124, 1128–1130, 1245
Horvath, Imre, 987–988
Houdek, Vladimir, 567
Howard, Charles, 1271–1272
Howard, Harry N., 1194*n*
Hoxha, Enver, 1344
Hoyer-Millar, Sir Frederick, 602, 670, 717*n*, 1338, 1410
Hoyne, Lt. Col. John T., 996*n*, 997–998
Hrobak, P.A., 344–345, 347*n*
Hulick, Charles E., 354–355, 358*n*
Hull, Cordell, 1318*n*
Hulley, Benjamin M., 577*n*, 581*n*, 583*n*
Humelsine, Carlisle H., 292, 295*n*
Hungary (*see also* Human rights provisions, etc. *under* Soviet Satellites in Eastern Europe):
Assets held by U.S. Office of Alien Property, 9–10, 997, 1002–1004, 1007, 1010
British policy, 984
Consulates in Cleveland and New York, closure, 980*n*, 982, 996, 1000, 1002–1004, 1007–1009, 1013
Crown of St. Stephen, possible return, 1013–1015, 1019–1021
German Democratic Republic, policy toward, 960–962
Nationalization Law of *Dec. 28, 1949*, negotiations concerning compensation, 995
Political situation, 537
Prague communiqué, signatory, 665–666, 903
Restitution of Hungarian property in U.S. zone of Germany, 1002, 1005, 1007, 1009, 1012–1013, 1019, 1021
Soviet occupation forces, 31
Soviet policy, 442, 1245
Trade policies, 142, 145, 400
U.S. Diplomatic Mission, request for reduction in size, 10–12, 13*n*, 553, 819*n*, 992–997, 999–1000, 1008, 1011, 1024–1025, 1084
U.S. policy, 982–999, 1003–1011, 1014–1018

Hungary—Continued
U.S. relations with, 8–9, 290*n*, 312, 541, 980, 1022–1026
U.S. trade controls, 183, 229, 983
U.S. travel ban, 996–997, 1007–1009, 1013
Vogeler case, 10, 528–529, 980–993, 996–1021, 1023–1025
Voice of America, complaint regarding interference by, 1002–1004, 1007, 1010–1011, 1014–1020, 1025–1026
War criminals, request for extradition, 1011, 1021
Warsaw Declaration, signatory, 649*n*, 947*n*
Yugoslavia, policy toward, 1344–1347, 1451*n*
Hunsaker, Herbert C., 38
Hutsinpiller, Capt. Herschel, 1068–1069
Hvasta, Jan, 526, 528, 535

Iceland, 78, 267*n*, 1496
Ignatieff, George, 351–352
Iliff, William A.B., 1448*n*
Immigration Act of *1917*, 293*n*
India, 312, 381, 399, 907, 1084, 1157, 1171, 1231, 1490
Indochina:
Chinese People's Republic policy, 1227
Ho Chi Minh regime, recognition, 1365–1366, 1370–1371, 1373–1375, 1390, 1404
Situation, 310, 905, 1101, 1151, 1511
Soviet policy, 1157, 1170, 1365*n*
U.S. information and educational exchange program, 312
Indonesia, 312, 381, 399, 1088
Information and educational exchange program of the United States. *See under individual countries.*
Intelligence Advisory Committee, 60–61, 280, 308
Interdepartmental Committee on Internal Security, 46
Intergovernmental Study Group on Germany. *See under* German Federal Republic.
International Authority for the Ruhr. *See under* German Federal Republic.
International Bank for Reconstruction and Development (*see also under* Yugoslavia), 15, 420, 1044, 1045*n*, 1049
International Civil Aviation Organization, 1046
International Confederation of Free Trade Unions, 146, 261–264, 284–285, 839
International Court of Justice, 12–13, 17–18, 37, 54*n*, 56*n*, 57, 59–60, 1163
International High Frequency Broadcasting Conference, *Apr. 1–Aug. 19, 1950*, 281
International information program of the United States, efforts to strengthen (*see also* Voice of America): 261, 282–284, 296–302, 305–306, 311–314, 317–328
International Labor Organization, 420, 629, 939*n*
International Monetary Fund (*see also under* Yugoslavia), 15, 412, 420, 797, 1044, 1045*n*, 1049, 1207, 1212*n*, 1213–1215, 1219*n*
International Red Cross, 1359, 1415*n*
International Refugee Organization, 420–421, 430
International Telecommunication Union, 280–281
International Trade Organization, 233, 1044, 1096
International Transport Workers Union, 265*n*, 269–270, 272–273, 284
Iran, 168, 207, 312, 1139, 1151, 1167, 1171, 1174, 1182, 1227, 1239, 1256–1257, 1275, 1392
Iraq. *See under* United Nations: General Assembly: Country positions.
Ireland, 78, 253
Irwin, Lt. Gen. Stafford LeRoy, 423
Israel, 41, 1171
Italy (*see also under* East-West trade policy: Country positions; North Atlantic Treaty Organization: Country positions; Yugoslavia):
Communist threat, 284, 1088, 1273
European radio broadcasting frequencies, 267*n*
Soviet policy, 1090, 1174, 1342
Unemployment problem, 35
U.S. information and educational exchange program, 312
U.S. military assistance, 269–270
U.S. policy, 390, 1444

Jacobs, Joseph E., 571
Jacobson, Israel, 981
Jamaica, 78
Jamieson, Kenneth D., 429*n*
Jamriska, P., 344
Japan (*see also under* East-West trade policy: Country positions), 84, 151, 167, 312, 1156, 1229, 1256
Japanese peace treaty, draft, 907, 909–910, 1105, 1157
Jebb, Sir Gladwyn, 1240–1241
Jellicoe, Lord, 349*n*, 365, 1272, 1356, 1364, 1410–1412, 1457, 1467
Jendretzky, Hans, 965–966
Jernegan, John D., 364*n*, 1364
Jessup, Philip C.:
Baltic Sea, U.S. policy toward, 62*n*
Berlin blockade, *1948–1949*, 907
Civil aviation policy toward Soviet Union and Soviet satellites, 30
Council of Foreign Ministers, proposed meeting, 922–926
Czechoslovakia, U.S. policy toward, 555

Jessup, Philip C.—Continued
East-West trade policy, 95, 101, 150*n*, 176*n*, 177–179, 187*n*, 202–203, 220*n*, 226*n*
German Federal Republic, U.S. policy toward, 689*n*
Port control regulations, 50*n*
Soviet satellites in Eastern Europe, U.S. policy toward, 306
Soviet Union, U.S. policy toward, 1184–1186, 1192
Yugoslavia, U.S. policy toward, 1439*n*
Johnson, C. Aldon, 533, 535–536
Johnson, Hewlett, 270*n*
Johnson, Louis:
Austria, U.S. policy regarding, 372*n*, 394, 478–479, 495*n*
Berlin, U.S. policy regarding, 844
East-West trade policy, 152–153, 180
Foreign information program, 315
Foreign Military Assistance Steering Committee, member of, 269*n*
German Federal Republic, U.S. policy toward, 686, 688–689
Military service attaché missions in Soviet satellites of Eastern Europe, 11*n*
Port security program, 42, 46, 48
Radio broadcasting frequency in U.S. zone of Germany, 267*n*
Soviet Union, U.S. relations with, 1143*n*, 1147*n*, 1154*n*, 1190*n*, 1291
Voice of America, matters concerning, 286, 290, 307
Yugoslavia, U.S. policy toward, 1339, 1341*n*, 1441*n*, 1442–1443
Johnson, Valdemar N.L., 357–358
Joint Chiefs of Staff:
Austria, U.S. policy toward, 372*n*, 374, 376, 382, 392, 394–397, 407, 473, 475, 482–483, 487, 495*n*
Baltic Sea, U.S. policy toward, 58–59, 62–63
Berlin, U.S. policy toward, 845, 851, 867, 874, 893–894, 895*n*
Civil aviation policy toward the Soviet bloc, 2–3, 5, 27–28
East-West trade policies, 139–140, 152–154, 179*n*, 245–246, 249*n*, 250
Finland, U.S. policy toward, 584–585
German Federal Republic, U.S. policy toward, 686–687, 691, 694, 727
Information and psychological warfare program, 305
Port security program, 46–50
Soviet Union, U.S. policy toward, 1154*n*, 1155*n*, 1156*n*
Yugoslavia, U.S. policy toward, 1339–1341, 1411, 1418, 1441–1444, 1452, 1454
Joliot-Curie, Frederic, 277, 310
Jovanović, Radoš, 1493*n*
Joyce, Robert P., 19, 292–296, 354*n*, 355*n*, 358*n*, 945–946, 1464
Justice, U.S. Department of, 292–295, 998*n*, 1038, 1054
Kačerovska, Dagmar, 544
Kaganovich, Lazar M., 1122–1123
Kaiser, Jacob, 676–677, 712, 956–957, 958*n*, 971
Kaiv, Johannes, 357
Kallai, Gyula, 980, 982*n*, 983*n*, 985, 987, 1023
Kamenov, Evgeni, 504, 506, 508–509, 516, 522
Kannisto, Heikki Albert, 586–588
Karasin, L., 1245
Kardelj, Edvard, 366*n*, 1348–1349, 1356, 1357*n*, 1369*n*, 1370, 1378–1380, 1417, 1420–1421, 1460, 1474–1478
Kashmir dispute between India and Pakistan, 592
Kastner, Hermann, 977
Katz, Julius L., 1321–1322, 1328
Katz-Suchy, Juliusz, 35
Kaumann, Gottfried, 830
Kazun, Valentina, 1121
Kazun, Vladimir, 1121
Kee, John, 1491*n*
Kekkonen, Urho Kaleva, 579–581, 587
Kellerman, H. J., 591
Kelly, Sir David, 439
Kem, James P., 130*n*
Kennan, George F., 597*n*, 681–682, 1097*n*, 1108, 1179, 1224–1229, 1377
Keyes, Lt. Gen. Geoffrey, 371, 373–374, 377–378, 382–385, 397, 404–405, 407–409, 414, 416, 423*n*, 474–480, 484
Kidric, Boris, 1455, 1459–1460, 1464, 1466, 1470
Kimball, Arthur, 591
Kimball, Dan A., 1319, 1334
Kimpel, Ben D., 469–470
King, James E., 671, 673, 702, 899
King, Nat B., 82, 117, 192, 212*n*, 234*n*
Kirk, Alan G., 282, 331–332, 398, 436–439, 671, 902–903, 906*n*, 914–915, 921*n*, 948*n*, 1001–1002, 1075–1079, 1080*n*, 1081–1092, 1101–1103, 1107–1111, 1134–1135, 1137–1142, 1144–1149, 1158–1160, 1162–1168, 1186, 1190*n*, 1191–1194, 1202–1212, 1222–1223, 1230–1250, 1253–1254, 1259–1262, 1266–1271, 1276–1278, 1281–1282, 1286–1287, 1289–1290, 1297–1298, 1306, 1311–1312, 1314–1318
Kirkpatrick, Sir Ivone A., 386, 627–628, 657–658, 668–671, 673, 696–698, 701–702, 711–712, 716, 767–771, 790, 792, 805, 813, 815, 863*n*, 928–929
Kleinwaechter, Ludwig, 380*n*, 398, 411, 454*n*, 459*n*, 469*n*
Klek, Jackie, 1270
Knox, M. Gordon, 1246
Koch, Mrs. Karin, 36
Kohler, Foy D., 344, 1075
Kolarek, Joseph C., 544, 546–550
Kopeikin, S. F., 1112
Kopriva, Ladislav, 21, 23–24
Korea, Democratic People's Republic of, 49, 160, 176*n*, 183, 193, 229, 251, 312, 323, 1101, 1243

Korea, Republic of, 312, 1157, 1171
Korean conflict:
Country positions: Chinese People's Republic, 669, 790, 909, 912–915, 917, 918*n*, 1226, 1231, 1272, 1274–1275, 1500; Korean Democratic People's Republic, 150*n*, 168–170, 176, 324, 327, 463, 481*n*, 869, 876–878, 917, 1220, 1224–1225, 1251; Soviet Union, 325, 651, 704, 1224–1226, 1230–1232, 1242–1244, 1247, 1251, 1256–1257, 1263–1264, 1268–1269, 1276, 1280, 1313; United States, 322, 357–358, 571–572, 587–588, 658, 867*n*, 894, 897–898, 1050, 1280, 1436, 1444
Military situation, 670, 676, 696–697, 704–706, 708, 717, 726, 731, 891, 972, 976, 1220–1221, 1454, 1459
U.N. role, 322, 357, 905, 1225, 1231, 1243, 1260, 1275, 1479
Kosanović, Sava, 1354–1355, 1359, 1364, 1374–1375, 1378*n*, 1407, 1413, 1417, 1421*n*
Koshevnikov, F.I., 1111
Kosmak, Katherine, 545, 549, 561*n*
Kostov, Traicho, 503–506, 519, 539
Kotikov, Brig. Gen. Alexander, 819*n*, 837, 843
Kraft, Col. James B., 996*n*, 997–998
Kraus, Herbert, 442*n*
Kupi, Abas, 364
Kyne, Martin C., 261

Laberge, George Antonio, 1247
Labouisse, Henry R., 581*n*
Labrador, 77
Lamtev, T. P., 1128–1129
Lancaster, W. W., 1254, 1257–1258
Latvia, 229, 337–341, 353, 356–357, 358*n*
Laukhuff, Perry, 591, 593–594
Laušman, Bohumil, 341
Lay, James S., Jr., 31, 46, 48*n*, 50*n*, 58*n*, 62*n*, 83, 93*n*, 100*n*, 139*n*, 152*n*, 163–166, 180*n*, 202, 214, 216–217, 223, 225*n*, 226*n*, 227–228, 245*n*, 249–250, 285–286, 307–308, 311, 372*n*, 387–394, 402, 427, 473, 686*n*, 691*n*, 844*n*, 849–850, 868*n*, 893, 897*n*, 975, 1360, 1418, 1439–1440, 1441*n*, 1471
Leahy, Adm. William, 1307
Lebel, Claude, 745
Leeward Islands, 78
Lehman, Herbert H., 315
Lemmer, Ernst, 956–957
Lemnitzer, Maj. Gen. Lyman L., 1462
Lend-lease. *See under* Congress, U.S.; Poland; Soviet Union.
Lend-Lease Act, 1287–1288, 1298, 1315, 1336
Lend-Lease Administration, 1312
Lenin, Vladimir Ilyich, 1087–1089, 1175, 1259
Leroy Beaulieu, Paul, 103–104
Lettrich, Josef, 344–345, 347*n*
Lewis, Geoffrey W., 591, 681, 847*n*
Libaert, Henri, 1382*n*
Lie, Trygve, 1036, 1158, 1200–1201, 1240–1241, 1359
Lightner, E. Allan, 663
Lippmann, Walter, 637, 847–848
Lister, Ernest A., 25*n*, 26*n*
Lithuania, 229, 337–343, 353, 356–357, 358*n*
Lithuanian-American Council, 342–343, 355
Litvinov, Maxim M., 1108, 1250, 1318*n*
Loch, Hans, 977
Loebl, Evžen, 21
Louwers, J. A., 528
Loveland, Albert J., 1484*n*
Lovestone, Jay, 261
Lovett, Robert A., 415*n*
Lozovsky, Solomon A., 1128*n*, 1197
Luc, Robert, 386
Luca, Vasile, 1061
Lucas, Molly, 1270–1271
Lucas, Scott, 847, 1160*n*
Luxembourg, 86, 146, 173*n*, 267*n*, 381, 399, 942–943
Lychowski, Tadeusz, 35
Lyon, Arlon E., 273
Lyon, Cecil B., 22, 1031–1033
Lyon, Scott C., 1090–1091
Lysenko, T. D., 1262

MacArthur, General of the Army Douglas, 1242*n*
MacKnight, James M., 19
MacKnight, Jesse, 309–311
Magheru, Mihail, 1057*n*, 1071
Magnuson, Warren G., 42*n*
Maillard, Pierre, 500
Makins, Sir Roger, 160–161
Malaya, 160, 309, 312, 1088
Malenkov, Georgiy Maksimilianovich, 946, 1084, 1268–1269, 1277
Malik, Yakov Aleksandrovich, 660, 907, 1240, 1254–1258, 1261
Mallet William I., 432*n*, 434, 439–440, 455*n*, 695, 746
Malone, George W., 130*n*
Manchuria, 312
Mancini, Tommaso, 1090
Maniu, Juliu, 1061
Mann, Thomas, 1102
Mao Tse-tung, 1087, 1226
Mardaresou, Vlad, 1057*n*
Maritime Commission, U.S., 1312–1313
Marr, Nikolay Y., 1129*n*
Marshall, Charles E., 104
Marshall, George C.:
Austria, U.S. policy toward, 415*n*
Berlin, U.S. policy toward, 867*n*, 893–894
East-West trade policy, 223–226, 245, 249*n*, 256
German Democratic Republic, U.S. policy toward, 959, 975
German Federal Republic, U.S. policy toward, 727, 728*n*, 1043
Saar question, 929
Soviet Union, U.S. relations with, 1322, 1332

Marshall, George C.—Continued
Visit by Gen. Anders to the United States, 359*n*
Yugoslavia, U.S. policy toward, 1484, 1491
Marshall Plan. *See* European Recovery Program.
Martin, Edwin M., 105, 116–117, 123–125, 132*n*, 136, 201–202, 209*n*, 1425
Marx, Karl, 1202
Mason, Gordon B., 1070, 1072–1073
Massigli, René, 628, 745, 759–760, 765, 774–776, 792–794, 928, 929*n*
Massignac, Maj., 116
Mates, Leo, 1440, 1470, 1478–1480, 1486*n*, 1492–1493, 1501, 1503–1505
Matthews, Francis P., 1143, 1255, 1263, 1290–1291, 1305, 1329, 1331–1334
Matthews, H. Freeman, 125–126, 210*n*, 277–278, 328*n*, 412, 468, 583*n*, 717*n*, 867*n*, 893*n*, 922*n*, 1305–1306, 1451
Matthews, W. D., 1489–1490
Max B. Miller & Company, 1284, 1295, 1300, 1311, 1321, 1326
May, Mark A., 317
McCarthy, Joseph, 1402
McCloy, John J.:
Berlin, U.S. policy toward, 821*n*, 823–824, 825*n*, 832–833, 843–844, 848, 856, 862, 863*n*, 864–887, 898–899, 901*n*
Council of Foreign Ministers, proposed meeting, 904*n*, 906, 910, 912–914
East-West trade policy, 73*n*, 182*n*, 248
German Democratic Republic, U.S. policy toward, 948, 955, 958*n*, 959, 964–967, 971, 974*n*
German Federal Republic, U.S. policy toward, 590–596, 598, 602–605, 608–609, 611, 612*n*, 615–616, 619, 621–631, 633–644, 656*n*, 657–665, 688–689, 692, 696–698, 700–716, 724–727, 729*n*, 730–733, 735, 742*n*, 749, 751, 753–758, 762, 772, 777–778, 780–785, 789–792, 797, 801, 802*n*, 805–806, 813–817, 839*n*, 840, 955
Saar question, 927–928, 930, 933, 935–937
U.S. Ambassadors meeting at Rome, 282
McDaniel, Joseph M., 67*n*
McDermott, Michael J., 13*n*, 1148*n*
McFall, Jack K., 192*n*, 227, 302*n*
McFarland, Ernest W., 271
McGhee, George C., 261
McGowan, Charles J., 261, 263
McGrath, J. Howard, 10*n*, 292–295, 1036*n*, 1038*n*, 1039, 1439
McKellar, Kenneth, 196
McKisson, Robert M., 1013
McMahon, Brien, 271, 1392
McNeil, Hector, 928
McSweeney, John M., 1196*n*, 1200*n*
McWilliams, William J., 266*n*, 279*n*, 329*n*, 597*n*
Meany, George, 261–263
Mediterranean pact, proposed, 1240
Meigs, Carroll M., 1329–1331
Melander, Johan, 1090
Melbourne, Roy M., 1354–1355, 1364
Merchant Ships Sales Act of *1946*, 1294–1295
Meryn, Samuel, 546–548
Mexico, 78
Michal, former King of Romania, 360–361, 362*n*
Middleton, Drew, 97, 949
Mikolajczyk, Stanislaw, 347–349, 1042
Mikoyan, Anastas Ivanovich, 1122–1123, 1126
Military Production Supply Board. *See under* North Atlantic Treaty Organization.
Miller, Edward G., 261
Miller, Justin, 317
Miller, Max B., 1284*n*
Miller, William K., 778*n*
Milošević, Olga, 1415
Mindszenty, Cardinal Joszef, 1022, 1024
Minor, Harold B., 1420*n*
Miquelon Island, 77
Mishin, Lt. Gennady V., 1242*n*
Moch, Jules, 223, 727, 732, 794
Modelski, Gen. Izydor, 349
Modzelewski, Zygmunt, 1028*n*, 1031
Mojsov, Lazar, 1420
Mokma, Gerald A., 1003*n*, 1016
Molodtsov, S. V., 1209*n*
Molotov, Vyacheslav Mikhailovich, 647, 783, 946, 1094, 1120, 1122–1123, 1125, 1200*n*, 1277
Mongolian People's Republic, 49
Monnet, Jean, 639, 731
Montgomery of Alamein, Field Marshal Viscount, 949
Morgan, George A., 643*n*, 654*n*, 960–964, 972–973, 975–979
Morse, Huntington T., 1285, 1312–1313
Morse, Wayne, 315
Moscow Conference, *Oct. 1943*, 1306–1307
Most-favored-nation treatment, 1015, 1094–1096, 1118, 1297
Mundt, Karl E., 315
Munk, Ervin, 557
Murphy, Francis T., 1285–1286, 1328–1329, 1331–1332, 1335
Murphy, Robert D., 76*n*, 130–131, 172–173, 1382–1383
Mutual Defense Assistance Act of *1949*, 72, 475*n*, 495, 1340, 1439, 1492, 1495
Mutual Defense Assistance Program, 77, 85, 94, 96, 99–100, 155, 158, 166, 169–171, 189, 197, 200, 207, 229, 232, 264*n*, 265, 269, 272–273, 297, 310, 475*n*, 479, 487, 787, 1105, 1157, 1171, 1180, 1211, 1221, 1279, 1403, 1442, 1453–1454, 1473, 1481–1483, 1485, 1487–1488, 1490, 1494, 1496, 1499, 1507, 1511

Myrdal, Gunnar Karl, 34–35, 37, 143–144, 146, 233

National Advisory Council on International Monetary and Financial Problems, 1297, 1366, 1368–1369, 1372, 1387–1388, 1398–1399, 1425*n*, 1450–1451
National Committee for Free Europe, 19*n*, 348, 351–352, 355, 360–361, 362*n*, 945–946, 1042, 1051
National Security Council:
Documents:
NSC 15, U.S. civil aviation policy toward the USSR and its satellites, 1–6, 25*n*, 26–30, 40–41
NSC 18, U.S. policy toward the conflict between the Soviet Union and Yugoslavia, 1339, 1341–1348, 1353, 1360–1361, 1372, 1387, 1411*n*, 1417–1420, 1431–1432, 1439–1440, 1441–1444, 1452–1454, 1471–1473, 1509
NSC 20, U.S. objectives with respect to the Soviet Union to counter Soviet threats to U.S. security, 395, 1339
NSC 24, U.S. policy in event of renewed blockade of Berlin, 680, 820, 830, 850–852, 859, 864, 867
NSC 38, Future courses of U.S. action with respect to Austria, 387–394, 397, 403–404, 417–418, 427–428, 466–467, 472–473, 479, 481–484
NSC 58, U.S. policy toward Soviet satellites in Eastern Europe, 7–8, 31–33
NSC 59, Foreign information program and psychological warfare planning, 297, 305–306
NSC 63, U.S. policy in event of a blockade of Vienna, 372–373, 390, 392, 419, 424
NSC 66, Proposed strengthening of Voice of America, 279–282, 285–290, 297, 307–308
NSC 68, U.S. objectives and programs for national security, 171
NSC 69, Export controls and security policy, 83–86, 93, 152, 162*n*, 163–172, 179, 220
NSC 70, May Day and Whitsuntide Youth Rallies in Berlin, 844–847, 849–850
NSC 71, U.S. policy toward Germany, 686–688, 689*n*, 690–695, 702–703
NSC 73, Estimate of possible further Soviet moves in the light of the Korean situation and their effect on the position of the United States, 867*n*, 894, 897–898, 1444
NSC 78, Port security program, 41–46, 48–50, 52*n*
National Security Council—Con.
Documents—Continued
NSC 88, U.S. courses of action in event the Soviet Union attempts to close the Baltic Sea, 58–59, 62, 64*n*
NSC 89, U.S. policy with respect to Berlin and the German Democratic Republic, 867*n*, 893–894, 895*n*, 975
NSC 91, East-West trade, 216–223, 226, 227–233, 245–246
NSC 94, Determinations under the Cannon Amendment, 249–255
East-West trade policy (*see also* NSC 69; NSC 91, *supra*), 98, 100–103, 106, 139, 141, 150*n*, 151–152, 154, 176–177, 179–180, 186, 187*n*, 193–194, 197–198, 201–203, 205, 208, 209*n*, 210*n*, 214–216, 223, 226, 244, 259, 575
Information and educational exchange program (*see also* NSC 59; NSC 66, *supra*), 276, 311*n*, 313–314, 333
Special Committee on East-West Trade, 228–231, 249*n*, 251–255
War, U.S. policy in event of, 678
National Security Resources Board, 8, 139, 164–166, 306, 308, 393
Navy, U.S. Department of, 851, 1168, 1279, 1288, 1291, 1294, 1306, 1314*n*, 1316*n*, 1322, 1324–1325, 1329–1335
Near and Middle East, 2–3, 6, 26–28, 334, 1138, 1169, 1171, 1180–1181, 1183–1184, 1239
Nechansky, Maj. Jaromir, 546, 548*n*
Nehru, Jawaharlal, 702*n*, 1436
Nerman, Ture, 278
Netherlands (*see also under* East-West trade policy: Country positions), 72, 267*n*, 381, 399, 670, 942–944, 1383
Neumann, Franz, 842, 855, 963
Newfoundland, 77–78
New Zealand, 56
Nicaragua, 78
Nickell, Lehman Patton, 1312*n*
Niemöller, Martin, 725, 727, 730, 790, 804
Nikolay, Metropolitan of Krutitsky and Kolomna, 1262
Nitescu, Ion, 1057*n*, 1059
Nitze, Paul H., 302*n*, 591–592, 595, 597*n*, 906, 1366*n*, 1491*n*
Noack, Ulrich, 669, 727
North Atlantic Treaty Organization (NATO) (*See also under* Treaties, conventions, agreements, etc.):
Activities, 59, 63, 319, 326, 776, 797, 904
Council Deputies, 236, 675, 773, 798, 801, 899–900
Council sessions:
Fourth, London, *May 1950*, 85*n*, 94–95, 102, 106, 128*n*, 153, 166, 172, 298–299, 302, 307, 318, 620, 692, 953, 1155

North Atlantic Treaty Organization—Continued
Council sessions—Continued
Fifth, New York, *Sept. 15–26, 1950*, 330*n*
Sixth, Brussels, *Dec. 18–19, 1950*, 673–674, 675*n*, 798–803, 805, 812–813, 919
Country positions: Belgium, 72; Canada, 1238*n*; Denmark, 72*n*, 575*n*, 682, 1209; Iceland, 682; Italy, 682, 1238*n*, 1239; Norway, 575*n*, 1238*n*
Defense Committee, 180, 194, 223
Defense Ministers, 728, 766–767, 772
East-West trade policies, 163, 171, 177, 192, 194, 199, 213, 225, 236, 241–242
German Federal Republic, questions regarding relationship of, 635, 681*n*, 682, 687, 692, 726, 772*n*, 773, 775, 782, 786, 788–790, 795–798, 808, 818
Greek membership, proposed, 1239–1240
Medium-Term Defense Plan, 236
Member countries, 72, 152, 236
Military Committee, 180, 194, 223
Military Production Supply Board, 206–207
Nonmember countries, 490, 497
Soviet attitude toward, 1229
Supreme Allied Commander, Europe, 814–815
Turkish membership, proposed, 1238–1240
U.S. military assistance, 264*n*
Norway (*see also under* East-West trade policy: Country positions), 63, 72, 267*n*, 575*n*, 1090, 1238*n*
Nový, Vilém, 21, 24, 537
Nuschke, Otto, 956*n*, 957, 967, 977

Oatis, William N., 571*n*
Offie, Carmel, 19
O'Gara, John E., 176*n*, 201, 209*n*, 226–227, 249*n*, 1460
Ohly, John H., 480–481, 1462–1463
Oldenbroek, J. A., 265*n*, 284–285
Oleschuk, Fëdor N., 1203–1204
Ollenhauer, Erich, 671, 733
Olszewski, Stanislaw, 347
O'Neill, Harry P., 344, 347
Orem, Capt. Howard E., 1288*n*, 1313–1314
Organization for European Economic Cooperation (OEEC), 36, 63, 76–77, 89, 104, 113, 119, 130*n*, 142, 177, 253, 403, 412, 596, 599, 639, 691, 944, 1216, 1481
Ontrata, Vladimir, 309, 311*n*, 558–561, 568*n*
Owsley, Charles H., 131

Paasikivi, Juho, 574*n*, 576, 578
Pace, Frank C., 466, 468, 844–847, 849
Page, Edward, 616, 641, 643, 838–839, 852–854, 861–862, 901–902, 956–957, 967–969, 972–973, 975–979
Pakistan, 312, 381, 399, 1171
Panama, 78
Panama Canal, 48–49, 59
Pan American Airways, 4
Panyushkin, Aleksandr Semenovich, 949, 998*n*, 1001, 1114*n*, 1123, 1283–1284, 1286, 1288, 1293–1294, 1298, 1305, 1315, 1331, 1333, 1335
Papagos, Field Marshal Alexander, 363
Pappas, Dimitrios, 1415*n*, 1429*n*
Paraguay, 78
Parodi, Alexandre, 446, 911, 918, 1383–1384
Parry, Carroll C., 571
Partisans of Peace, World Congress, 270–271, 273, 276–278, 309–310, 321, 323, 325, 327–332
Pastoyev, Vsevolod V., 1140–1141
Pauker, Ana, 568, 993*n*, 1055, 1057*n*, 1058, 1061, 1064–1067
Payart, Jean, 500–501
Peake, Sir Charles, 366*n*, 1338, 1356, 1374, 1375*n*, 1434, 1515
Pearson, Drew, 1389
Pearson, Lester B., 1489–1490
Peev, Dragan, 508–509, 521
Pell, Claiborne, 19–20
Penfield, James K., 545–546, 571
Perkins, George W.:
Austria, U.S. policy toward, 375–377, 411–415, 446, 466–467, 470–472, 473*n*, 474*n*, 480–483
Baltic states, U.S. policy toward, 352–353, 356*n*, 357–358
Czechoslovakia, U.S. relations with, 555–556
East-West trade policy, 161, 174, 197
Field case, 23, 38, 39*n*
Finland, U.S. policy toward, 575, 581*n*
German Democratic Republic, U.S. policy toward, 948*n*
German Federal Republic, U.S. policy toward, 591–593, 615, 792
International Confederation of Free Trade Unions, 261, 263
Lend-lease settlement with the Soviet Union, negotiations concerning, 1283–1284
Partisans of Peace, World Congress, 328–330
Romania, U.S. relations with, 1071
Soviet satellite assets held by the United States, 9–10
Soviet Union, U.S. policy toward, 1135, 1139
U.S. Ambassadors meeting in Rome, 282
Yugoslavia, U.S. policy toward, 1366–1369, 1380, 1400*n*, 1445*n*, 1451–1453, 1456*n*, 1460, 1469, 1480*n*
Personae non gratae, cases involving, 505, 511–512, 514, 519, 524–525, 548, 557, 992, 996–997, 1022, 1029–1030
Peru, 78

Peter II, former King of Yugoslavia, 1355
Petrov, Dimiter, 509
Peurifoy, John E., 1492*n*, 1493
Philip, André, 36, 145
Philippines, 312, 1229
Phillips, Joseph B., 336
Picasso, Pablo, 270*n*, 310
Pieck, Wilhelm, 946, 952, 960–961, 965–968
Pijade, Mose, 1402
Pipinelis, Panayotis, 363–364, 1356
Pitersky, Rear Adm. N. A., 1333, 1335
Plastiras, Gen. Nicholas, 1413–1416, 1430, 1440–1441
Pleven, René, 717, 731, 793, 1353*n*
Pleven Plan. *See* European army or defense force.
Plotnikov, K., 1124
Plummer, Curtis B., 308
Point Four Program, 253, 263, 284, 629, 639
Poland (*see also under* United Nations: General Assembly: Country positions):
  Albania, relations with, 1047–1048
  Batory, representations regarding treatment in New York harbor, 295, 1036–1039, 1261–1262
  British policy, 1048
  Civil aviation operations, 2–3
  Czechoslovakia, relations with, 1047
  Economic Commission for Europe, participation, 35, 144–145
  Field case, 20–25, 38–40, 1034–1035
  French policy, 1048–1049
  German Democratic Republic, relations with, 644, 958–962, 969, 1043, 1049
  German Federal Republic, policy toward, 1049
  Lend-lease settlement, negotiations regarding, 1045–1046
  Prague communiqué, signatory, 665–666, 903
  Roman Catholic Church, role and position, 1041, 1048
  Soviet occupation forces, 31, 1041
  Soviet policy and position, 1040–1041, 1043, 1047
  State Secrets Act, 1034–1035
  Trade policies, 97, 114, 145, 173, 400, 1045
  U.S. Consulate at Katowice, request for establishment, 1027
  U.S. Diplomatic Mission, request for reduction in size, 10–12, 13*n*, 290*n*, 1028–1031, 1050
  U.S. information and educational exchange program, 312, 1027, 1031–1034, 1050–1051
  U.S. policy toward, 1027, 1029–1031, 1040–1051
  U.S. trade controls, 183, 229, 237, 1044–1045, 1051
Poland—Continued
  Warsaw Declaration, signatory, 649*n*, 947*n*
  Yugoslavia, policy toward, 1048
Polish Christian Labor Party in exile, 347–348
Polish Labor Party in exile, 347
Polish National Democratic Committee in exile, 348–350, 1042
Polish Peasant Party in exile, 347–349
Polish Political Council in exile, 348–350, 1041–1042
Polish Socialist Party in exile, 348
Politis, Ioannis, 1420
Popa, Augustin, 360
Popescu-Nasta, Liviu, 1061, 1063
Popiel, Karol, 347–348
Popovic, Milentije, 1397, 1455, 1459, 1464, 1466
Popović, Vladimir, 1374, 1375*n*, 1394*n*, 1417*n*, 1421–1426, 1430, 1433, 1438, 1445–1446, 1448, 1454–1456, 1460–1461, 1464–1466, 1468–1470, 1472, 1474–1475, 1485, 1494, 1499–1500, 1504
Poptomov, Vladimir, 504, 506, 513, 516, 518*n*, 519, 522, 524
Portugal, 194, 199, 231, 253, 267*n*
Posnak, Edward G., 1438*n*
Pospelov, Peter N., 1087–1089
Prague communiqué. *See under* Germany.
Prica, Srdja, 1362, 1380–1381, 1394, 1414–1415, 1428
Price, Byron, 1200
Prohibited and Limited Industries Agreement. *See under* German Federal Republic.
Proteasa, Grigore, 1052–1053, 1064

Radescu, Gen. Nicolae, 360–362
Radio Free Europe, 19–20, 1051
Rádo, Zóltan, 991
Rajk, László, 537, 539
Rákosi, Mátayás, 982, 985–987, 988*n*, 989–991, 998–1000, 1002, 1023–1024
Ramsey, Henry C., 643*n*
Ramsin, Peter B., 1103, 1235–1237, 1269
Ranković, Aleksandar, 1460, 1505–1506
Rasmussen, Gustav, 157*n*, 160*n*
Rau, Heinrich, 977
Raymond, John, 591
Raynor, G. Hayden, 197, 198*n*
Reams, R. Borden, 1348–1352
Reber, Samuel, 398*n*, 430–432, 434*n*, 439–440, 454–457, 458*n*, 463*n*, 465*n*, 471, 663, 670–671, 745
Reed, Paul, 261–262, 264*n*
Reed, Philip D., 317
Reimann, Max, 965–966
Reinhardt, G. Frederick, 19, 328*n*, 354*n*, 358*n*, 581*n*, 583*n*, 915, 1039n, 1107, 1140*n*, 1144*n*, 1162*n*, 1272–1273, 1328, 1460
Reinstein, Jacques J., 104–105, 591, 593–594, 674*n*, 745, 762–763, 778, 784, 797*n*, 824*n*, 848*n*

Rendis, Constantine, 363, 365
Reuter, Ernst, 605*n*, 825, 829, 833*n*, 834, 838–839, 842–844, 852, 855, 856*n*, 862, 891–893, 902, 963–964, 968*n*
Riddleberger, James W., 834, 927, 935*n*
Rindova, Jivka (Zohivda), 517, 521
Rivière, Jean, 531*n*, 569*n*
Roberts, Holland, 1270–1271
Roberts, Walter St. C. H., 1052
Robertson, Gen. Sir Brian, 591, 595, 627, 638–640, 684, 695, 927*n*
Robinson, Theresa, 1271–1272
Rogers, Charles E., 50*n*, 52*n*
Rogers, James Grafton, 1396–1398, 1410
Rokossovsky, Marshal Konstantin Konstantinovich, 1040, 1047
Roman Catholic Church, 1041, 1048
Romania (*see also* Human rights provisions, etc. *under* Soviet satellites in Eastern Europe):
  Assets held by U.S. Office of Alien Property, 8–10, 1004*n*, 1010
  Consulate in New York, closure, 1058–1059
  German Democratic Republic, relations with, 960, 973
  Prague communiqué, signatory, 665–666, 903
  Soviet occupation forces, 31
  Soviet policy, 442
  Trade policies, 145, 400
  U.S. courier service, restrictions on, 1069–1072
  U.S. Diplomatic Mission, harassment and reduction in size, 11, 13*n*, 291*n*, 564, 568, 992–993, 1052, 1054–1058, 1062–1067, 1069, 1072–1073
  U.S. Information Office, closure, 287, 291, 1052–1054, 1058, 1060–1062
  U.S. relations with, 8–9, 290*n*, 312, 992, 1053–1060
  U.S. trade controls, 183, 229
  U.S. travel restrictions on Romanian legation personnel, 1064–1069, 1273
  Warsaw Declaration, signatory, 649*n*, 947*n*
  Yugoslavia, policy toward, 1344–1347, 1358, 1451*n*
Romanian National Committee in exile, 355*n*, 360–362
Roosevelt, Franklin D., 588, 1108, 1254, 1307, 1318, 1395
Rosen, Martin, 1448, 1455, 1465–1466
Rothwell, Col. Franklin G., 1072–1073
Ruffin, Henri, 1512
Rumbold, Sir Horace, 1365, 1393–1394
Rusk, Dean, 10–12, 276, 281, 678 *n*, 1254–1258, 1288*n*, 1289*n*, 1354–1355, 1360–1361, 1364, 1418*n*
Ryan, Joseph P., 273

Saar. *See under* German Federal Republic.
Sabath, Adolph J., 930, 931*n*
Sagatas, Adele, 1121
Saint Pierre Island, 77
Saksin, Georgy F., 1080*n*, 1108–1109
Salisbury, Harrison E., 1122
Salter, Fred K., 342, 344, 347–350, 1042*n*
Samuelli, Nora, 1061, 1062*n*
Sanders, Edgar, 984, 988*n*, 990*n*, 991, 996*n*, 997, 1005
Sanders, Marion K., 1077
Sandys, Duncan, 783
Sanz, Regina F., 1136*n*
Sardelic, Mirko, 1435*n*
Sargeant, Howland H., 281, 308
Sarnoff, David, 271–272, 274, 276, 315
Sauvagnargues, Jean, 745
Sawyer, Charles, 83–85, 93*n*, 100, 103, 106*n*, 139–143, 152–153, 163*n*, 177, 179*n*, 180, 184–185, 194–197, 201–202, 208–209, 214–216, 218, 220*n*, 225–226, 228–230, 249–250, 256
Schaeffer, Fritz, 832*n*, 841–842, 844, 864
Schaerf, Adolf, 407, 426, 459*n*, 497–498
Schmidt, Carlo, 625
Schoenfeld, Arthur, 272*n*
Schoenfeld, Rudolf, 568, 993*n*, 1052, 1054–1058, 1060*n*, 1061–1063, 1064*n*, 1065–1067
Schumacher, Kurt, 605*n*, 616, 624–625, 627, 631–632, 636–637, 670–672, 675, 697, 709, 711, 730–733, 780, 782–783, 798, 804, 914, 978
Schuman, Frederick, 1102
Schuman, Robert:
  Austrian peace treaty, draft, 430, 443, 445–446, 448, 450, 453
  Berlin question, 834
  Council of Foreign Ministers, proposed meeting, 905–906, 908–909, 911, 918, 922
  East-West trade policy, 123–125, 132, 136, 151, 187*n*
  Foreign Ministers meeting at London, 30, 85*n*, 306–307, 350–351, 1192–1193
  German Democratic Republic, French policy toward, 951*n*
  German Federal Republic, French policy toward, 593, 620, 630, 643*n*, 712*n*, 717*n*, 727, 731, 776, 793–794, 801, 803, 805–811
  Saar question, 927–928, 931–939, 947*n*
  Yugoslavia, French policy toward, 1353*n*, 1374*n*, 1415, 1433*n*, 1437, 1447, 1513
Schuman Plan. *See* European Coal and Steel Community.
Schvernik, Nikolay Mikhailovich, 1144*n*, 1266
Schwennicke, Carl-Hubert, 855, 963
Schwinn, Walter K., 1031
Scott, Oswald A., 578–579
Seculov, Ivan, 509, 521
Security controls on international exports. *See* East-West trade policy.
Sehović, Serif, 1415*n*, 1429, 1440

Seydoux, François, 430, 745
Sheppard, William J., 847
Sherman, Adm. Forrest P., 1143–1144, 1146, 1291, 1314
Shinwell, Emanuel, 223, 727
Shipkov, Michael Todorov, 516–518, 521–524
Shipping Act of *1886*, 154
Shostakovich, Dimitry D., 1262
Shtylla, Behar, 35
Sidor, Karol, 346–347
Sieniewicz, Konrad, 347
Sihvo, Gen., 588
Sik, Endre, 1002–1003, 1012, 1016
Simutis, Leonard, 342
Široký, Viliam, 23, 537–538, 541, 545–548, 551–553, 557, 559
Sirotnak, J. J., 344, 347*n*
Slánský, Rudolf, 537*n*
Slater, Joseph E., 668–673, 780–784, 789–792, 813–817, 898–899
Slovak League of America, 344, 347
Slovak Liberation Committee, 346*n*
Slovak National Council Abroad, 346
Smith, Walter Bedell, 315, 1128*n*, 1198
Smith, William C., 1000, 1002*n*, 1006
Smodlaka, Sloven, 1485
Snyder, John, 42, 83*n*, 163*n*, 180, 216, 225, 227*n*, 228, 250, 256, 285–286, 307–308, 372*n*, 1124*n*, 1366, 1369, 1372, 1386*n*, 1387, 1439, 1445*n*, 1484, 1491*n*
Snyukov, Anatoly P., 1376–1378, 1401
Sobolev, Arkadiy Aleksandrovich, 1250
Sokolov, Georgiy A., 1326, 1334–1335
Sokolov, V. G., 1266
Souers, Sidney W., 1*n*, 1341*n*, 1360*n*
Southard, Frank A., 412
South Asia, 2, 6, 26–28, 1171, 1183
Southeast Asia, 41, 319, 334, 638, 1089, 1100, 1106, 1139, 1151, 1156, 1167, 1169–1171, 1174, 1180, 1184, 1206
Sovereignty, questions concerning, 377, 380–381, 387, 392, 402, 416, 458, 467–468, 519, 524, 611, 648, 782, 815, 869, 873, 878, 880, 895, 1020, 1372, 1390
Soviet satellites in Eastern Europe (*see also individual countries and under* United Nations: General Assembly: Country positions):
British civil aviation policy toward, 40*n*
Economic Commission for Europe, participation, 35–36, 144–145
Human rights provisions of Peace Treaties with Bulgaria, Hungary, and Romania, efforts to implement: British policy, 56*n*, 57; International Court of Justice advisory opinion, 12–13, 17–18, 37, 54*n*, 56*n*, 57, 59; U.N. General Assembly considerations, 12–13, 17–18, 54–57, 59–60; U.S. policy, 1, 13, 16–18, 32, 37, 54–57, 923
Official representatives in the United States, U.S. policy toward, 60–61, 1081–1082
Soviet satellites in Eastern Europe—Continued
Trade policies, 98–99, 104, 107–109, 120, 153, 171
U.S. civil aviation policy toward, 1–6, 25–30, 40–41, 1046
U.S. Diplomatic Missions, harassment and reduction in size, 10–16, 30–32
U.S. information program and materials, restrictions on, 290–291, 302–303
U.S. policy, 7–9, 14–17, 31–33, 306, 351, 639, 1105
U.S. port security program, 41–54
U.S. and Western European trade restrictions, 17, 65–66, 69–72, 75, 79, 81, 84–85, 87–91, 95, 97, 100–104, 107–108, 114, 134–135, 140, 142, 148, 151, 154*n*, 158–159, 161, 182, 184–185, 190, 193, 204–206, 210–211, 217–218, 220–233, 236–239, 246, 250–255
Soviet Union (*see also Soviet Union and Soviet subheadings under individual countries and subjects*):
AMTORG Trading Company officials, arrest in New York, 998*n*, 999*n*, 1001, 1002*n*
Atomic weapons:
Program, 149, 172, 1110, 1156–1157, 1169, 1171
Proposed prohibition, 1101, 1157, 1212, 1230*n*, 1251
Baltic Sea, policy toward, 58–59, 62–64, 1208–1209, 1230
Black Sea, policy toward, 1193–1194, 1209
British policy, 1048, 1135, 1142, 1184, 1186, 1192–1193, 1237–1238, 1246–1247, 1272–1273
Budget, 1206–1207
Commercial agreement of *1942* with the United States, questions regarding renewal, 1092–1098, 1117–1120, 1130
Communist doctrine, 1202–1205, 1245, 1259–1260
Death penalty for traitors, spies, and sapper-saboteurs, restoration, 1079, 1086
Diplomatic couriers, representations regarding U.S. treatment, 1112, 1123–1124, 1135–1136, 1139–1140, 1187–1189, 1194–1196, 1199–1200
Diplomatic exchange rate, proposed abolition, 1131–1132, 1134, 1207
Disarmament question, 1156–1157, 1212
Economic Commission for Europe, participation, 34–35, 143–144
Economic situation, 1075–1076, 1084–1086, 1122–1123, 1152–1153, 1172–1174, 1267, 1286–1287
Elections, 1078, 1091–1092, 1121–1122
Field case, 39–40
French policy, 1192

Soviet Union—Continued
Gold production and reserves, 1212–1219, 1286
Gubichev case, 998*n*, 999*n*, 1000–1001, 1002*n*
Human rights questions, 1156, 1244
Lend-lease settlement, continuing negotiations concerning, 1283–1337
Official representatives in the United States, U.S. policy toward, 60–61, 1081–1083, 1191
Peace offensive, 261, 264–265, 270–271, 282, 298–300, 304, 309, 315, 320–325, 327–328, 332, 411, 440, 460, 468, 1076, 1086, 1088, 1101–1102, 1126, 1152, 1157, 1166, 1204, 1210–1212, 1230, 1232, 1244, 1246, 1251, 1262–1264, 1268, 1270–1272, 1275, 1280
Peaceful coexistence, policies regarding, 1203–1205, 1264–1265, 1286
Political and military policies and objectives, 107–108, 110, 117–118, 120, 298–299, 324, 326, 395–396, 1076–1077, 1099–1101, 1110–1111, 1150–1153, 1164–1185, 1220–1221, 1224–1232, 1238, 1243–1244, 1247, 1275–1278
Prague communiqué, signatory, 665–666, 903
Prisoners of war (German and Japanese), 1244
Religious organizations and beliefs, policy toward, 1205–1208, 1249–1250, 1259–1260, 1266–1267
Ruble revaluation, 1113–1117, 1120–1121, 1123–1124, 1130, 1142, 1286–1287, 1289–1290, 1292, 1298–1299
Russian language, role, 1128–1130
Shooting incidents and representations concerning:
Soviet airport in Far East, 1260–1261, 1264
Soviet plane in area of Yellow Sea, 1240–1242
U.S. plane in area of Baltic Sea, 1032, 1140–1141, 1143–1148, 1158–1160, 1162–1163, 1190–1191, 1208
Trade policies, 34–35, 97–99, 103, 111–112, 143, 145, 150, 153, 171, 679, 1090–1091, 1096, 1121, 1218–1219
Travel restrictions, 1134–1135, 1191, 1272*n*
U.S. civil aviation policy toward, 1–6, 25–30, 1046
U.S. containment policy, 3–6, 26–28, 597, 652, 1173, 1264
U.S. information program and materials, restrictions on, 290–292, 302–303, 312, 534, 1077, 1079–1080, 1103–1104, 1119–1120, 1127–1128, 1137–1138, 1160–1163, 1186–1187, 1196–1199, 1209–1210, 1222–1223, 1234–1237, 1246, 1269–1270
Soviet Union—Continued
U.S. official representatives, treatment, 541*n*, 548, 1081, 1191*n*
U.S. policy, 1104–1106, 1111, 1126–1127, 1154–1158, 1168, 1173, 1192–1193, 1254–1258
U.S. port security program, 41–49
U.S. trade restrictions, 17*n*, 65, 78, 81, 84–85, 87–91, 95, 97, 100–103, 107–108, 112, 114, 117–118, 120, 134–135, 140, 148, 151, 154*n*, 158, 161, 175–176, 183–185, 193, 204–206, 217–218, 220–233, 236–240, 246, 250–255, 649, 1094, 1098, 1216–1219, 1304
Voice of America, jamming, 275, 279–281, 286–289, 297–298, 333–335, 1074–1075, 1085, 1187
Warsaw Declaration, signatory, 649*n*, 947*n*
Spaatz, Gen. Carl, 1263*n*
Spain, 194, 231, 267, 285, 688, 1049
Special Committee on East-West Trade. *See under* National Security Council.
Speidel, Gen. Hans, 815
Spiegel, Anna, 1121, 1149–1150
Spofford, Charles M., 670, 716–717, 785, 795, 801, 895, 900
Sri Lanka, 312, 319, 1205–1206
Stakhanov, Alexey G., 1245*n*
Stalin, Iosif Vissarionovich, 322, 359, 539, 708, 946, 952, 961, 1083–1085, 1087, 1089, 1091, 1099, 1102–1103, 1107, 1110–1111, 1121–1122, 1125, 1128–1129, 1153, 1157, 1169–1170, 1175, 1177, 1179, 1182–1183, 1200–1202, 1211, 1251–1253, 1259, 1265, 1269, 1277, 1293, 1299, 1318, 1392, 1395, 1436, 1506
Stassen, Harold E., 1251–1253, 1265
Steelman, John R., 1484
Steinhardt, Laurence A., 571
Stepinac, Alojzize (Aloysius), 1501
Stevens, Roger Bentham, 104–105, 745, 762, 764–765, 784–785
Stinebower, Leroy D., 1284*n*, 1366*n*, 1386*n*, 1424
Stockholm Peace Appeal, 277–278, 315, 320*n*, 324, 325*n*, 326–327, 587–588, 1230, 1268
Stone, William T., 318*n*
Stratford Development Corporation, 1321
Stresemann, Gustav, 609
Suez Canal, 59, 1139
Suhr, Otto, 837–838, 840, 842–843, 891–893, 963
Sulzberger, Cyrus L., 1338*n*, 1375*n*, 1500–1501
Surinam, 78
Surov, Anatoly, 1127*n*
Sveinbjørnsson, E., 71*n*
Swayzee, Cleon O., 261–264, 284–285
Sweden (*see also under* East-West trade policy: Country positions), 63–64, 267*n*, 575*n*, 1051

Switzerland (*see also under* East-West trade policy: Country positions), 267*n*, 1051
Syria. *See under* United Nations: General Assembly: Country positions.

Taiwan. *See* Formosa.
Tasca, Henry J., 607–608
Tauber, Arnost, 36–37
Taylor, Maj. Gen. Maxwell D., 641–643, 817*n*, 820, 824*n*, 825*n*, 835*n*, 836–843, 844*n*, 855–856, 861, 867–889, 891–893, 899
Teheran Conference, *1943*, 1306–1307
Texaco Development Corporation, 1321
Thailand, 312
Thedieck, Franz, 676–677
Theotokis, John, 1356*n*
Thomas, Jean de Matha, 1108–1109, 1133, 1233, 1248–1250
Thompson, Llewellyn E., 1*n*, 9*n*, 11*n*, 20*n*, 21*n*, 100–101, 342–344, 365, 448*n*, 453, 505–507, 513–515, 518*n*, 520*n*, 559–562, 591–592, 594–595, 945, 1035, 1104*n*, 1147*n*, 1338, 1400*n*
Thorp, Willard L., 225*n*, 1212, 1287–1288, 1293, 1301, 1306–1307, 1316, 1322*n*, 1323*n*, 1328–1329, 1331–1335, 1422, 1424–1425, 1446, 1475*n*
Thurston, Ray L., 1193–1194
Tibet, 312
Tikhonov, N. S., 1262–1263, 1270–1271
Tillmans, Robert, 963
Tito, Marshal Josip Broz, 17, 145, 299, 368*n*, 1048, 1088, 1100, 1151, 1153, 1170–1171, 1184, 1186, 1227, 1230, 1276–1277, 1338–1340, 1342–1347, 1349–1350, 1352–1353, 1357–1359, 1362–1364, 1368–1377, 1379–1381, 1384–1386, 1388–1393, 1395, 1400*n*, 1401–1404, 1413–1414, 1416–1417, 1421*n*, 1426–1429, 1431–1432, 1437–1438, 1441–1443, 1448–1449, 1451*n*, 1460–1461, 1464–1466, 1468–1471, 1476, 1478–1481, 1483, 1485–1486, 1488–1489, 1491, 1500–1502, 1512–1515
Titov, I. G., 1112
Tobago, 78
Tobin, Maurice, 1038
Todd, Joseph, 117
Tolokonnikov, Lëv S., 1135*n*, 1195, 1196*n*, 1200*n*
Toma, Ana, 1058*n*, 1064, 1069–1070
Trade Agreements Act, *1934*, 1095
Treasury, U.S. Department of, 8, 255, 308, 1059, 1112*n*, 1124, 1136, 1140, 1187–1189, 1195, 1212, 1214–1216, 1290
Treaties, conventions, agreements, etc. (*see also under individual countries*):
Brest-Litovsk treaty of peace, *1918*, 1264, 1278
Treaties, conventions, agreements—Con.
Brussels Treaty, *1947*, 718–719, 942–944
Commercial agreements between the Soviet Union and the United States: *1935*, 1093*n*, 1118; *1937*, 1093, 1304; *1942*, 1092–1098, 1117–1120, 1130
Consular Convention between Romania and the United States, 1059, 1065–1066
Economic Cooperation Agreements between the United States and: Austria, *1948*, 400*n*, 420; German Federal Republic, 607, 680, 824*n*, 831–832, 864
European Advisory Commission agreement, *1945*, 419
European Broadcasting Convention, *1948*, 266–267
Financial Agreement between the United Kingdom and the United States, *1945*, 1287, 1297, 1323, 1328
Finnish peace treaty, 581*n*
General Agreement on Tariffs and Trade, *1947*, 120, 797, 1098, 1216
Genocide Convention, *1948*, 342–343, 353
International Civil Aviation Convention, *1944*, 1046*n*
International Telecommunications Convention, *1947*, 281*n*
International Wheat Agreement, 233
Italian peace treaty, *1947*, 456, 465, 470, 1286, 1308, 1310
Lend-Lease Agreement between the Soviet Union and the United States, *1942*, 1095, 1283, 1285, 1293–1296, 1299–1302, 1305, 1306*n*, 1308, 1314, 1316, 1318*n*, 1324–1327, 1332, 1335–1336
Lend-Lease Settlement Agreement between the United Kingdom and the United States, *1945*, 1287
Lucerne Convention on Radio Broadcasting Frequencies, *1933*, 1010
Military Assistance Agreements between the United States and Belgium, Denmark, France, Italy, Netherlands, Norway, and the United Kingdom, 72, 75*n*, 76
Montreux Convention, *1936*, 1194, 1209, 1279
Moscow Declaration of *1943*, 387, 402, 463, 1395
North Atlantic Treaty, *1949*, 59, 76–77, 84, 101, 118, 172, 265, 269, 284, 298, 307, 319, 490, 498, 595, 638, 640, 679, 682, 693, 703, 719, 900, 957, 1089*n*, 1105, 1118, 1157, 1171, 1204, 1211, 1488
Petersberg Protocol, *1949*, 649, 680, 747, 753, 758
Pipeline Agreement on Lend-Lease between the Soviet Union and the United States, *1945*, 1304

Treaties, conventions, agreements—Con.
Potsdam Agreement, *1945*, 662, 664, 666, 673, 680, 808–809, 903, 906–908, 913–917, 920, 949–950, 959, 965, 968, 973–974, 1042, 1048, 1268
Rapallo treaty, 609
Roosevelt–Litvinov agreement, *1933*, 1108, 1110, 1223, 1234, 1247–1250, 1299
Sino-Soviet treaty, *Feb. 1950*, 1276
Treaties of Peace with Bulgaria, Hungary, and Romania, *1947*, 9, 12–13, 16, 32, 37, 55–57, 509–510, 520, 923, 983, 1004, 1009–1010, 1019, 1022, 1346–1348
Treaty of Friendship between Iran and the Soviet Union, *1921*, 1227
Treaty of Friendship, Commerce and Consular Rights between the United States and: Finland, *1934*, 51–52; Hungary, *1925*, 980, 982; Poland, *1931*, 1045
Treaty of Friendship, Commerce and Navigation between Japan and the United States, *1911*, 1096
Treaty of Friendship, Cooperation and Mutual Assistance between Finland and the Soviet Union, *1948*, 53, 582, 584–585, 588
United Nations Charter, *1945*, 55, 916, 920, 1098, 1154, 1158, 1253, 1257, 1347, 1504
Versailles Treaty, *1919*, 633
Yalta Agreement, *1945*, 322, 359, 587, 808–809, 1042, 1048, 1156
Trieste, Free Territory of, 231, 312, 396, 456, 460–465, 470–471, 473, 1247, 1342, 1386, 1416, 1426–1427, 1441, 1444, 1467
Trigg, Ralph S., 1386*n*
Trimble, William C., 745
Trinidad, 78
Tripartite Merchant Marine Commission, 1310, 1315
Trotsky, Leon, 1032
Truesdell, George E., 1285, 1290–1291, 1312–1314, 1321–1322, 1328, 1331, 1489
Truman, Harry S.:
Addresses: At San Francisco, *Oct. 17, 1950*, 781; to American Society of Newspaper Editors, *Apr. 20, 1950*, 304, 311–321
Austria, U.S. policy regarding, 372, 373*n*, 388, 390, 397, 415*n*, 416, 446*n*, 448*n*, 475*n*
Batory (Polish vessel), treatment in New York harbor, 295*n*
Berlin, U.S. policy regarding, 820, 830, 850
Bulgaria, severance of relations with, 504*n*, 513*n*
Chinese People's Republic, U.S. policy toward, 1201, 1272
Truman, Harry S.—Continued
Civil aviation policy toward the Soviet bloc, 1
Council of Foreign Ministers, proposed meeting, 906*n*
Czechoslovakia, U.S. policy toward, 550, 564, 567*n*, 572–573
East-West trade policy, 83*n*, 89*n*, 150*n*, 163*n*, 179, 180*n*, 192, 196, 201–202, 216–217, 225, 227*n*, 245*n*, 249*n*, 255–256
Economic Report to Congress, annual, *Jan. 6, 1950*, 1078, 1134, 1157
Exile groups and leaders from Eastern Europe, U.S. policy toward, 354–355, 358–359
Finland, U.S. policy toward, 574–576
Foreign information program and psychological warfare planning, 297*n*, 304–305, 313–317
Genocide Convention, submission to Senate, 342*n*
German Federal Republic, U.S. policy toward, 653–654, 686, 688–689, 691*n*, 695*n*, 701*n*, 702–703
Hungary, U.S. relations with, 987, 1006, 1017
Joint Attlee–Truman Communiqué, *Dec. 8, 1950*, 1280
Korean conflict, 1242
Military Assistance Program, 1211
Point Four Program, 263
Poland, U.S. relations with, 1036*n*, 1038–1039
Port security program, 41*n*, 42, 46, 50, 52*n*
Press conference, *Nov. 30, 1950*, 1280
Proclamation of National Emergency, *Dec. 16, 1950*, 1280
Saar question, 929
Soviet satellites in Eastern Europe, U.S. policy toward, 37
Soviet Union, U.S. policy toward, 395, 1102, 1107, 1119, 1200–1201, 1211, 1263, 1276–1278, 1281*n*
State of the Union message, *Jan. 4, 1950*, 1078
Voice of America, matters concerning, 271–272, 274–276, 279*n*, 304
Yugoslavia, U.S. policy toward, 1341, 1353–1354, 1357, 1359, 1367, 1369, 1372, 1386*n*, 1387, 1402–1403, 1421*n*, 1439, 1456, 1459, 1475*n*, 1480*n*, 1484–1485, 1488, 1491, 1507
Tsinev, Gen., 410
Tucker, Mrs. Charles, 1102
Tucker, Robert C., 1102
Tucker, Mrs. Robert C., 1102–1103, 1107
Tuckerman, Gustavus, 1366*n*, 1424, 1445*n*
Turkey (*see also under* East-West trade policy: Country positions), 267*n*, 312, 1227, 1256–1257, 1279, 1472
Turpin, James A., 116
Tydings, Millard E., 1392, 1491*n*
Tzontchev, Tzonu, 505–506

Ulbricht, Walter, 946, 960–961, 965–966, 977
Unden, Östen, 197–198
Union of South Africa, 55–56
Union of Soviet Socialist Republics. *See* Soviet Union.
United Kingdom (*see also United Kingdom and British subheadings under individual countries and subjects*), 267*n*, 591–592, 688
United Nations:
  Atomic energy, proposed international control, 324–326, 1105, 1258
  Atomic Energy Commission, 1157
  Charter. *See under* Treaties, conventions, agreements, etc.
  Chinese representation question, 638, 1049, 1152, 1157–1158, 1171, 1200–1201, 1258, 1427*n*, 1436, 1500
  Commission for Conventional Armaments, 323
  Disarmament question, 1105, 1157
  Economic and Social Council, 33–34, 120, 263, 629, 1032
  Formosa question, 909
  General Assembly (*see also under* Soviet satellites in Eastern Europe: Human rights provisions, etc.):
    Austrian question, 411–412, 466–469, 471–472
    Committees: *Ad Hoc* Political Committee, 59; First Committee, 321*n*
    Country positions: Australia, 59; Iraq, 904, 909–910, 912, 914–915, 918*n*; Poland, 1049, 1098; Soviet satellites, 60; Soviet Union, 321, 323, 326, 1101, 1243–1244, 1507; Syria, 904, 909–910, 912, 914–915, 918*n*; United Kingdom, 321*n*; United States, 59–60, 120, 321*n*, 1507; Yugoslavia, 1446, 1507
    Greek children, repatriation, 1359
    Indians in the Union of South Africa, treatment, 55–56
    Resolutions: Resolution on Spain, *1946*, 285; Essentials for Peace Resolution, *1949*, 321*n*; *294 (IV)*, *Oct. 22, 1949*, regarding alleged violations of human rights in Bulgaria, Hungary, and Romania, 12–13, 17–18; *385(V)*, *Nov. 3, 1950*, on observance in Bulgaria, Hungary, and Romania of human rights and fundamental freedoms, 59–60; Uniting for Peace Resolution, *Nov. 3, 1950*, 904, 909–910, 912, 914–915, 918*n*, 920
    Sessions: Fourth, *Sept. 20–Dec. 10, 1949*, 321*n*; Fifth, *Sept. 19–Dec. 15, 1950*, 54*n*, 56–57, 59–60, 741, 1507; Sixth, *1951*, 54*n*, 55
United Nations—Continued
  Korean question, 909–910, 913, 914, 1257–1258, 1436, 1453, 1479
  Secretary-General (*see also* Lie, Trygve), 13, 17, 37, 54*n*, 59
  Security Council: Berlin question, 847–848, 923–924; Lie peace proposals, 1158, 1200–1201; Soviet protest regarding shooting down of Soviet plane, 1240–1242; Yugoslav situation, 1452–1454
  Security forces, question of, 1105
  Soviet policy, 323, 638, 819, 914, 1152, 1171, 1211, 1225, 1230
  Spanish question, 1049
  Technical assistance program, 639
U.N. Commission on Korea, 1436
U.N. Conferences on Trade and Employment, 1044
U.N. Educational, Scientific, and Cultural Organization, 15, 303
U.N. Food and Agriculture Organization, 1049
U.N. High Commission for Refugees, 420–421
U.N. International Children's Emergency Fund, 1037
U.N. Relief and Rehabilitation Administration, 1500
U.N. Special Committee on the Balkans, 1049
Universal Oil Products Company, 1321

Vaidyla, Michael, 342
Vandenberg, Gen. Hoyt S., 1144
Van Laethem, Gabriel, 366*n*
Van Tuyll van Serooskerken, S. J., 68*n*
Van Zeeland, Paul, 172, 1382–1383
Varga, Yevgeny Samoilovich, 1127, 1233
Vatican, 1048
Vavilov, S. I., 1262–1263
Vedeler, Harold C., 21*n*, 38*n*, 344–347, 353*n*, 359*n*, 559, 561, 1036
Velebit, Maj. Gen. Vladimir, 1448, 1454–1456, 1459, 1461, 1464–1466, 1471
Venezuela, 78
Venizelos, Sophocles, 1394*n*, 1492*n*, 1493
Vietnam, 309, 1088
Viktorov, Ya., 1126*n*, 1265
Vilfan, Joža, 36, 144
Vilhula, Taavi Nikolai, 585–588
Vincent, John Carter, 131–132, 200, 257*n*
Visoianu, Constantin, 360–362
Vogeler, Robert A., 10, 528–529, 980–993, 996–1019, 1021, 1023–1025
Vogeler, Mrs. Robert, 1005–1006
Voice of America, U.S. policy toward (*see also* International information program; *and under* Hungary; Soviet Union), 8, 32, 261, 266–268, 271–272, 274–276, 279–282, 285–290, 297, 301, 304, 307–308, 313, 318–319, 333–336, 341, 343–344, 353, 523, 529, 550, 553, 559, 573, 901, 945, 1042, 1051, 1074, 1102, 1131, 1265–1266, 1274, 1361, 1401, 1419

Von Brentano, Heinrich, 705, 757–758
Von Herwath, Hans Heinrich, 631–632
Von Schwerin, Gen. Gerhard Graf, 688*n*, 689–690, 695, 783
Von Seekt, Col. Gen. Hans, 633
Voutov, Peter, 503*n*, 505–507, 512–515, 518–519, 521, 522*n*, 523, 524*n*
Vyshinsky, Andrey Yanuaryevich, 40*n*, 321, 398, 436–437, 461, 469–470, 837, 857, 916, 999–1002, 1081, 1083, 1110, 1120, 1127, 1134, 1137, 1138*n*, 1140–1141, 1144, 1145*n*, 1146, 1158*n*, 1162, 1190*n*, 1197, 1200*n*, 1207, 1209–1210, 1234, 1236*n*, 1241*n*, 1253–1254, 1293, 1297, 1314

Wade, Lt. Col. Ralph, 509
Wadsworth, George, 1238*n*
Waerum, Einar, 157*n*
Wahl, Veleslav, 546, 548*n*
Wallace, Henry A., 1435
Wallinger, Geoffrey A., 984*n*
Wallis, B.A., 351, 1489–1490
Wapler, Arnould, 368–370
War, global, possibility, 117–118, 167, 169, 252, 581–584, 678, 682, 716, 845, 868, 870–872, 874–879, 882, 886–887, 896, 898, 923, 925–926, 967, 973, 1077, 1086–1087, 1105–1107, 1168–1170, 1172–1177, 1180–1184, 1186, 1192, 1204, 1211, 1220, 1224, 1227–1231, 1252, 1269, 1276–1277, 1279–1280, 1338, 1340, 1346, 1358, 1380*n*, 1404, 1479–1480, 1500, 1515
Ward, Robert E., Jr., 143–146
Ward, Jack, 815
Warner, Christopher F.A., 318, 330*n*, 713
Warren, Avra, 574, 576
Warren, Frederick H., 149–150
Warsaw Declaration. *See under* Germany.
Wartiovaara, Otso, 51*n*
Webb, James E.:
Austria, U.S. policy toward, 403, 409, 415*n*, 427*n*, 428–429, 448*n*, 459–460, 466–469, 479*n*
Batory (Polish vessel), treatment in New York harbor, 295
Berlin, U.S. policy regarding, 832–833, 847, 849–852, 857–860, 890
Bulgaria, severance of relations with, 503*n*, 506–507, 519
Civil aviation policy toward the Soviet bloc, 1*n*
Czechoslovakia, U.S. relations with, 309, 311*n*, 556, 558–559, 564–565, 567–569
East-West trade policy, 82, 106*n*, 128, 132–134, 148*n*, 191–198, 208–209
Ex-Communists, U.S. treatment, 292–293
Webb, James E.—Continued
Exile groups and leaders from Eastern Europe, U.S. policy toward, 355–356, 359–360
Foreign information program and psychological warfare planning, 311–314
German Democratic Republic, U.S policy toward, 942, 952, 974–975
German Federal Republic, U.S. policy toward, 590, 611–612, 635, 638 653, 657, 660, 663, 699*n*, 723
Hungary, U.S. relations with, 1005, 1008–1011, 1013*n*, 1017
Poland, U.S. relations with, 1036–1039
Port security program, 51*n*
Romania, U.S. relations with, 1063–1065, 1067
Smith and Bender, release by Chinese People's Republic, 1000*n*
Soviet satellites in Eastern Europe, U.S. policy toward, 31–33, 56–57
Soviet Union, U.S. policy toward, 1194–1199, 1279, 1287–1289, 1291–1293, 1298–1300, 1315–1317, 1319, 1322*n*, 1326–1327, 1333–1337
Voice of America, matters concerning, 272*n*, 274
Yugoslavia, U.S. policy toward, 1416–1420, 1450–1451, 1511–1512
Wehner, Herbert, 705, 757–758
Werner, Friedrich, 1131*n*
Western Europe (*see also* East-West trade policy; *and under* German Federal Republic):
Defense program, 180, 203, 236, 264*n*, 703, 1100, 1180, 1491
Economic Commission for Europe, participation, 36
Integration proposals, 590–592, 596, 598–601, 618, 621, 623, 636, 638–639, 645, 652, 683, 688, 814, 930, 1173, 1204
Soviet bloc civil aviation operations, 2–3, 5, 26–28
Soviet policy toward, 1089–1091, 1152, 1170, 1181
Western hemisphere, 1183
Wherry, Kenneth S., 189, 192–193, 196–197
White, Frederick C., 1380
Wierblowski, Stefan, 25*n*, 1028–1030
Wiesner, Louis A., 829–832
Wilcox, Francis O., 1063*n*
Wiley, Alexander, 1063*n*, 1491*n*
Williams, Murat W., 1065, 1067–1070, 1072
Williamson, Francis T., 368–370, 380*n*, 411, 454*n*, 475*n*, 483*n*
Wilson, Charles E., 249
Wilson, Woodrow, 345
Windward Islands, 78

Winiewicz, Jozef, 23*n*, 1034–1039, 1045*n*
Winterton, Maj. Gen. John W., 386, 480
Wojcik, Stanisław, 347
Wool, Matthew, 261, 263
Wooldridge, Rear Adm. Edmund T., 897
World Federation of Trade Unions, 146, 262*n*, 264*n*
World Health Organization, 15, 1049

Yelisarov, A., 854–856
Ylitano, J. Raymond, 585–586
Yost, Charles W., 23*n*, 309–311, 344–346, 347*n*, 351–352, 354, 987, 1013, 1104–1106, 1135–1136, 1139–1140, 1288*n*, 1341*n*, 1354*n*, 1356*n*, 1405, 1421–1422, 1424, 1435*n*, 1445–1446, 1456*n*
Yugoslavia (*see also under* United Nations: General Assembly: Country positions; United Nations: Security Council):
  Albania, relations with, 363, 366, 1338, 1344–1345, 1389, 1451*n*
  Austria: Relations with, 1356, 1427, 1467; trade with, 400
  British policy, 1338, 1351, 1353, 1355–1356, 1360, 1364–1365, 1382, 1393–1394, 1406, 1410–1412, 1415, 1419, 1432–1434, 1440*n*, 1441, 1447, 1457, 1473, 1487, 1513–1514
  Bulgarian policy toward, 1344–1347, 1429–1430, 1451*n*
  Canadian economic assistance, question of, 1473, 1489–1490
  Cominform and Soviet Union, break with, 16–18, 31–33, 35, 144–145, 225*n*, 299, 323, 365–366, 368*n*, 1048, 1089*n*, 1100, 1151, 1171, 1349–1350, 1379–1380, 1382, 1401, 1474–1475, 1491
  Czechoslovak termination of commercial relations with, 539
  Debt settlement negotiations, 1396–1398, 1410, 1422, 1424–1425, 1496, 1498, 1510–1512
  Economic Commission for Europe, participation in, 36, 143–145, 146*n*
  Economic policies and situation, 1351–1352, 1355, 1362, 1376–1377, 1421–1422, 1462–1463, 1468–1470, 1472–1475, 1491
  Export-Import Bank loans, 1366–1369, 1372–1373, 1378, 1382, 1386–1387, 1390, 1398–1400, 1405–1410, 1417–1418, 1424–1425, 1438–1439, 1445–1446, 1448–1450, 1456, 1461, 1473, 1476, 1481–1483, 1492, 1499, 1507
  Export of strategic materials to the Soviet bloc, control, 65, 70, 92–93, 101, 137*n*
  Foreign policy, 1157, 1374, 1379, 1389, 1391, 1401–1402, 1404–1405, 1416–1417, 1440–1441, 1500, 1507
Yugoslavia—Continued
  French policy, 1363, 1383–1384, 1410, 1415, 1419, 1432–1434, 1437–1438, 1457, 1467, 1473, 1485–1487, 1496–1498, 1501–1502, 1509–1514
  German Federal Republic, proposed loan by, 1388*n*, 1395–1396, 1402, 1418, 1423, 1426, 1433–1434, 1437–1438, 1447, 1456
  German prisoners of war, 1388*n*, 1395–1396, 1467
  Greece, relations with, 1354*n*, 1356, 1364, 1394, 1402, 1413–1414, 1415*n*, 1416, 1420, 1426–1430, 1440–1441, 1467, 1477, 1492–1493, 1500
  Greek children removed from Greece during the civil war, negotiations concerning repatriation, 1357*n*, 1359, 1364, 1413–1416, 1426, 1427*n*, 1429, 1460, 1493, 1500
  Ho Chi Minh regime in Indochina, recognition, 1365–1366, 1370–1371, 1373–1375, 1390, 1404
  Hungarian policy toward, 1344–1347, 1451*n*
  International Bank for Reconstruction and Development, proposed loan by, 1351, 1357, 1360, 1367, 1370, 1381–1384, 1393, 1396–1399, 1405–1406, 1410, 1417–1418, 1422, 1424–1425, 1445–1449, 1454–1456, 1461–1462, 1464–1466, 1469–1471, 1475–1476, 1498
  International Monetary Fund drawings, 1351, 1360, 1368, 1399, 1450–1451
  Italy, relations with, 1356, 1402, 1416–1417, 1422–1423, 1427, 1441, 1467, 1477, 1500
  Macedonian question, 1344, 1420, 1427–1430, 1440, 1477*n*
  Polish policy toward, 1048
  Political prisoners, 1362–1363
  Romanian policy toward, 1344–1347, 1358, 1451*n*
  Soviet bloc threat, 1227, 1230, 1338–1339, 1341–1353, 1355–1358, 1360, 1367–1368, 1372, 1385, 1387, 1393, 1402, 1404, 1418, 1420, 1431, 1434–1435, 1437–1438, 1443–1444, 1451–1454, 1458, 1460, 1463, 1474, 1479–1480, 1487, 1491, 1495, 1512
  Trade agreement with the German Federal Republic, *Apr. 18, 1950*, 1418
  U.N. Security Council membership, 1349, 1365, 1385
  U.S. economic assistance, 1338, 1342, 1353, 1357, 1360, 1366–1373, 1375–1376, 1378–1379, 1383, 1385–1388, 1401, 1404–1407, 1415–1418, 1421–1422, 1426, 1434, 1438, 1445–1446, 1454, 1459–1463, 1466, 1468–1470, 1472–1473, 1475–1478, 1480–1489, 1491–1492, 1494–1496, 1498–1501, 1503–1505, 1507

Yugoslavia—Continued
U.S. information and educational exchange program, 312
U.S. military assistance, question of, 1338–1343, 1352, 1357, 1360–1361, 1385–1386, 1416, 1418–1419, 1431–1433, 1439*n*, 1441*n*, 1442–1443, 1452, 1454, 1457–1458, 1467, 1480, 1482–1483, 1485–1486, 1496–1498, 1502, 1512–1514
U.S. policy, 390, 481–482, 1338, 1341–1348, 1350, 1353–1355, 1357, 1360–1363, 1365–1366, 1380*n*, 1384–1386, 1389–1392, 1402–1404, 1417–1420, 1431–1432, 1439–1444, 1451–1454, 1468–1469, 1471–1473
U.S. trade controls, 183, 193, 229
Warsaw Declaration, signatory, 649*n*, 947*n*

Yumashev, Adm. I. S., 1112

Zadeikas, Povilas, 352–353, 357–358
Zakharov, Aleksey Vasilyevich, 1284
Zarubin, Georgiy Nikolaevich, 431–434, 436, 438–439, 441, 445, 449*n*, 451, 455, 462, 464–465, 472–473
Zebrowski, Tadeusz, 1031–1033
Zehnder, Alfred, 131–132, 200
Zenkl, Peter, 347*n*
Zheltov, Col. Gen. Aleksey Sergeyevich, 367–368, 434–435
Zhukov, Marshal Georgiy Konstantinovich, 949
Zissu, Iancu, 360
Zog, former King of Albania, 364
Zveryev, Arseny G., 1206

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